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TODAY: LEISURE In Southern China, Page 11

DIVISION OF SERIALS

So, Is a Bigger NATO Really a Good Idea?

By R.W. Apple Jr.
New York Times Service

WASHINGTON — The decision to extend membership in NATO to former Soviet-bloc countries in Central Europe, which Russia now has explicitly if grudgingly accepted, is almost certainly the most significant United States foreign-policy initiative since the end of the Cold War. It represents a redrawing of the world security map as basic as Washington's decision in the early 1970s to recognize Communist China.

Yet it was made, early in 1995, in characteristic Clinton administration style, without a formal policy review, without a structured evaluation of competing viewpoints, without political debate and over the initial objections of senior military officers.

With both President Bill Clinton and his Republican rival in last year's election, former Senator Bob Dole of Kansas, committed to expanding the North Atlantic Treaty Organization, the subject had little role in that presidential campaign.

NEWS ANALYSIS

Thus, the question is only now being posed: Will this momentous decision enhance and enlarge the democratic Europe that has been built in the half-century since World War II, or will it draw a new scar-like line across the Continent and hinder rapprochement of Russia with the West?

The Russia-NATO agreement reached Wednesday vindicates the insistence of Mr. Clinton's administration that it could reach an accommodation of sorts with the Russians. But the jury may be out for years on what the accommodation will cost in obliging Moscow to accept an arrangement it clearly detests.

The decision to expand NATO is scheduled for final approval at the alliance's summit meeting in Madrid in early July. The Czech Republic, Hungary and Poland, which have evolved most rapidly from totalitarianism toward democracy and market economies, are expected to be voted in this summer. Romania, Slovakia

See NATO, Page 6

Bonn Scrambles To Save Its Budget

With Monetary Union at Stake, Accounting Switch Is Weighed

By John Schmid
and Alan Friedman
International Herald Tribune

FRANKFURT — The government, scrambling to plug widening holes in its budget that could disqualify Germany from monetary union, is considering the use of a bookkeeping maneuver to come up with extra cash, German officials said Thursday.

The move would create an unexpected source of revenue by increasing the value of the nation's gold reserves, thus freeing up cash for spending in other areas, they said. Chancellor Helmut Kohl has been told by his coalition partners, the Free Democratic Party, that it will not agree to any new tax increases.

The severity of the government's fiscal situation was laid bare when a government commission reported Thursday that 1997 tax revenues were projected to fall 18 billion Deutsche marks ($10.55 billion) short of forecasts.

The possible use of the nation's gold reserves to help balance the books appeared to leave Germany open to accusations of fiscal trickery, the very criticism that German officials have leveled in scolding terms at Italy and France.

Indeed, when reports of Mr. Waigel's proposed accounting maneuver leaked out on Thursday, it was Italy that issued a warning. Foreign Minister Lamberto Dini expressed strong disapproval for the idea of such a German plan.

"I would be very surprised if the German government were to have recourse to accounting gimmicks such as the use of asset sales or a revaluation in order to meet a revenue shortfall for 1997, because this would open up a wider gap than expected in 1998, thus making precarious the respect and sustainability of the stability pact," Mr. Dini said in an interview Thursday.

"By doing this, Germany could put in jeopardy the healthy functioning of European monetary union," he said.

The deepening budget shortfall has forced the government of Mr. Kohl into crisis deliberations over another round of welfare cuts or tax increases needed to bring the deficit into line with the benchmarks required to launch the single European currency on time in 1999. Countries are supposed to cut their annual deficits to 3.0 percent of gross domestic product to qualify.

Finance Minister Theo Waigel flew to Frankfurt unexpectedly Thursday to attend a meeting of the German central bank's governing board, where he said he presented plans to revalue Germany's gold reserves, which rank among the largest in the world. Mr. Waigel denied, however, a report in the newspaper Handelsblat of plans to sell gold reserves.

The accounting move would increase the gold's relatively low book value and bring it in line with the price it would fetch in world markets. That could generate a one-time book profit of as much as 43 billion DM, which could be disbursed to the government through the Bundesbank's annual profit. Under such a plan, none of Germany's gold would be sold.

Under the Maastricht treaty, profits from the revaluation would not directly help Bonn meet the critical deficit benchmark to launch a single currency. But government sources said Mr. Waigel hoped to apply the funds from the revaluation to bankroll spiraling unemployment benefits and possibly to avoid tax increases, deep welfare cuts or other unpopular measures forced on it by the single-currency spending constraints. It would also avoid a split in the coalition as the Free Democratic Party, the anti-tax junior coalition partner, has refused to approve any tax increases.

Book profits from gold reserves also can be used to retire debt and help Germany meet a separate Maastricht

See GERMANY, Page 6

Rebels Push To Kinshasa As Mobutu Allies Flee

Government Troops Said to Panic in Face Of Kabila's Forces

By Howard W. French
New York Times Service

KINSHASA, Zaire — With government troops fleeing their defensive positions, Zaire's rebel army pushed to this capital's edge on Thursday night, setting off a panic among allies of President Mobutu Sese Seko who raced to get out of the country before being captured or caught up in a widely feared bout of pillaging by soldiers.

The rush to get out of Kinshasa came as Marshal Mobutu made good on his vow to return home one day after the collapse of peace talks in neighboring Congo. With rebels pressing in on his capital, Marshal Mobutu's defiant return unleashed a wave of despair among his associates that the last chance for a peaceful settlement to Zaire's seven-month war had been lost.

"We are in a state of advanced disintegration right now," said a Western regional military analyst. "The government troops are abandoning their vehicles and equipment as the rebels approach, and I expect the rebels will be arriving in force at the Nsele by tonight. You might even see a few truckloads of them pour into the airport." The Nsele River is about 20 kilometers east of Kinshasa's international airport.

By midmorning, with Marshal Mobutu's return confirmed, several of the Zairian Army's top officers and the families of many senior officials and business associates of Marshal Mobutu were seen crossing the Congo River to Brazzaville, capital of Congo. Word of a strike by Zairian river port authorities and a late afternoon decision by Congo to close its border with Zaire only intensified the panic.

"If I have to open fire on someone to board the boat, I will," said a senior Zairian security agent who struggled to embark along with his family on the Brazzaville ferry. "This is no time to fuss over immigration checks."

With tension rising in the city, as stories of an imminent rebel arrival spread among the populace by late afternoon, the government's radio and television broadcasting headquarters were abandoned by soldiers and workers.

At almost the same time, reports began reaching Kinshasa of looting by soldiers and residents in the nearby Congo River town of Maluku, which is on a secondary rebel approach route to the capital from the northeast. Residents of the area near the international airport, including soldiers and their families, meanwhile, were seen packing up their belongings and fleeing toward the city center.

Laurent Kabila, the rebel leader, flew to Cape Town on Thursday, where he met with President Nelson Mandela in a last-ditch effort to arrange a peaceful handover of power from Marshal

See ZAIRE, Page 7

Algerians Mourn the Nighttime Massacre of 30 Villagers

Agence France-Presse

Algerians mourning relatives massacred early Thursday in a village south of Algiers, where of the 30 people killed, 17 were children. Security forces indicated that the attackers were Muslim extremists. Page 6.

French Flirt With Economic Taboos

Leading Politicians Dare to Praise American-Style Capitalism

By Roger Cohen
New York Times Service

PARIS — When the Gaullist president of the National Assembly, a man previously known for his caustic views on American capitalism, enters the electoral fray by praising the way a free-market economy "rewards those who dare, those who take risks," it seems safe to say that something is stirring in France.

When the president of the French Senate, and a man with the ear of President Jacques Chirac, suggests that it is time to abolish the minimum wage and move faster on market reforms, it even appears that real change may be at hand.

NEWS ANALYSIS

At the very least, these recent statements by Philippe Seguin and Rene Monory suggest that the central issue in a lackluster campaign for French parliamentary elections is now being set out more clearly: How much of the market-driven American and British models of economic growth does a depressed France want to adopt?

The right, long torn between economic liberty and Gaullist fraternity, has finally opted for the former, praising, with a growing if still prudent openness, the merits of privatizations, reduced taxation, a shareholding culture and deregulation. These changes would probably ease France's planned adoption of a single European currency. But because such ideas smack of what the French pejoratively call "Anglo-Saxon" economic models, their overt adoption has been a painful and wrenching process.

On the other side, Lionel Jospin's Socialist Party, unready for a Blair-like embrace of the market, has opted for a defense of the state's central role in the economy and attacks on those favoring "the path of harsh capitalism."

Such a debate may seem outdated.

See FRANCE, Page 6

Beijing Allies Would Invest Hong Kong's Cash in China

By Philip Segal
Special to the Herald Tribune

HONG KONG — Despite the ironclad promise that Hong Kong's huge trove of public money will be left intact after this British colony reverts to Chinese sovereignty July 1, three prominent legislators, two of them Beijing-backed, are suggesting that the territory's funds could be put to use helping develop southern China.

One of them, Rita Fan, the head of the incoming provisional legislature appointed by China, said that it was in Hong Kong's own interest to help bring neighboring Guangdong Province up to the territory's standard of living. Otherwise, she said, Hong Kong might prove an irresistible magnet for several million mainlanders.

Another supporter of the plan, Henry Tang, who will be a cabinet member in the Beijing-appointed Hong Kong government of the chief executive-in-waiting, Tung Chee-hwa, says the business figures he has approached approve of it.

That is hardly surprising, given that real estate developers would stand to make money from developing cheap Chinese land. But in addition, if they were once of two minds about the transition to Chinese rule, members of Hong Kong's business elite — at least in public — are now firmly behind closer business and political links with the mainland. Many of the most powerful tycoons here have served on Beijing-appointed bodies overseeing the transition and are almost completely absent from the movement that has opposed plans to scrap Hong Kong's elected legislature and to clamp down on civil rights.

See HONG KONG, Page 6

Japan's High-Tech Toilets Can Put Foreigners on the Hot Seat

By Mary Jordan
and Kevin Sullivan
Washington Post Service

TOKYO — An American diplomat was at a dinner party in a Japanese home when he excused himself to go to the bathroom. He did his business, stood up and realized he had no idea how to flush the toilet.

The diplomat spoke Japanese, but he was still baffled by the colorful array of buttons on the complicated keypad on the toilet. So he just started pushing.

He hit the noisemaker button that makes a flushing sound to mask any noise you might be making. He hit the button that starts the blow-dryer for your bottom. Then he hit the bidet button and watched helplessly as a little plastic arm, sort of a squirt gun shaped like a toothbrush, appeared from the back of the bowl and began shooting a stream of warm water across the room and onto the mirror.

That is how one of America's promising young Foreign Service officers ended up frantically wiping down a Japanese bathroom with a wad of toilet paper.

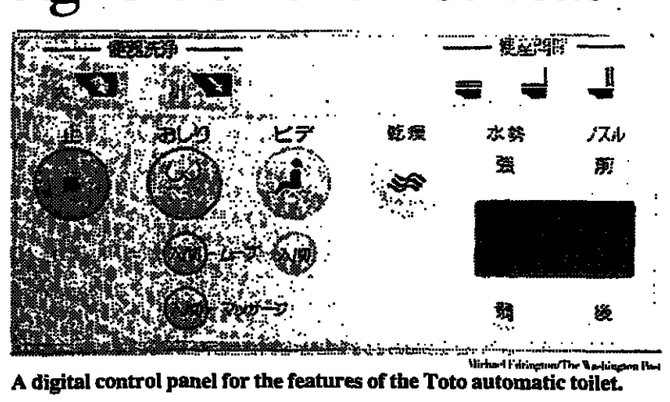
"It was one of my most embarrassing experiences in Japan," said the diplomat, who is posted to the U.S. Embassy and who asked not to be identified.

Forget that you need to know three alphabets to read a Japanese newspaper. Forget that the new fashion craze in Tokyo this spring is women gluing their bras in place. Forget horse sushi. The most puzzling thing for many foreigners here is Japanese toilets.

Just as many foreigners had finally mastered the traditional Japanese "squatter" with no seat, they are being confused anew by the latest generation of Japanese toilets — high-tech sit-down models with a control panel that looks like the cockpit of a plane.

Japan is the world leader in high-tech toilets. Its biggest toilet company, Toto, is working on a home model that will

See FLUSH, Page 6



Richard Ellington/The Washington Post

A digital control panel for the features of the Toto automatic toilet.

Space Race Becomes a Joint Venture

By Richard C. Paddock
Los Angeles Times

STAR CITY, Russia — Five years of capitalism have created a new face for Russia's space program, and it is starting to look a lot like its longtime rival, corporate America.

At once-secret Soviet facilities, Russian and American engineers now work together to design and build space vehicles. Such U.S. companies as Lockheed Martin Corp. and Hughes Electronics Corp. collaborate with Russia on commercial-satellite launches. Astronauts and cosmonauts train side by side for joint missions in space.

At the factory where Russian spacecraft are built, a huge new Proton rocket bears the freshly painted logo of the company it will serve: Motorola Inc.

At Mission Control, Russian scientists work with Boeing Co. on a plan to launch rockets from an oceangoing platform that will be based in Long Beach, California; and in a deal with Microsoft Corp.'s chairman, Bill Gates, satellites to expand access to the Internet will be put in orbit by Russian intercontinental ballistic missiles.

What was once a space race has become a joint venture.

"International cooperation is the next step in exploring space," said Pavel Vinogradov, a cosmonaut and rocket engineer training for his first trip into space. "We are joining efforts and getting new expertise and experience that we could not get separately."

During the Cold War, the space industry was one of the favored sectors of the Soviet economy, with vast resources at its disposal. The Soviet Union's accomplishments — including putting the first human in orbit — created a sense of national pride and bolstered the Communist nation's image as a superpower.

But Russia's transition to a market economy has reduced the space program to less than 30 percent of its former size and left scientists scrambling to find ways to pay for their projects. Today, it doesn't take a rocket scientist to see that the survival of the Russian space program hinges on its newfound partnership with the United States.

Although critics in both countries

See SPACE, Page 7

Books ..... Page 13.
Crossword ..... Page 22.
Opinion ..... Pages 8-9.
Sports ..... Pages 22-23.
The Intermarket ..... Pages 4 & 14.
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France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

AGENDA

U.S. Military Plan Draws Criticism

A Pentagon report detailing the shape and posture of the military for the 21st century is drawing fire from Capital Hill and analysts for not calling for more drastic changes in the size and mission of the armed services.

The report is expected to recommend that troop levels in Europe and in Asia remain steady at 100,000. Page 3.

THE AMERICAS Page 3.
Air Force Fears Spectacle of Sin
ASIA/PACIFIC Page 4.
Seoul Zeroes In on Kim's Son

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.6975	1.6948
Pound	1.6427	1.6465
Yen	115.975	117.28
FF	5.7185	5.707

The Dow

	Thursday close	previous close
+47.19	7333.35	7286.16

S&P 500

change	Thursday @ 4 P.M.	previous close
+5.82	841.87	836.05

AT&T

Challenging Taboos / **Radical Film on Kurdish Rebellion**

A Daring Ray of Light on a Dark War in Eastern Turkey

By Stephen Kinzer
New York Times Service

DIYARBAKIR, Turkey — On the mean streets of this crowded, depressed Kurdish city, the war that insurgent guerrillas are waging against the Turkish Army is the great unspoken topic.

Most of the people in Diyarbakir are Kurdish refugees who fled their ancestral villages, but few will talk about the circumstances that forced them to leave.

Those who hold political views favorable to Kurdish nationalism remain silent. Although death squads no longer hunt down perceived enemies of the state and military patrols have thinned out in recent months, police agents are everywhere and free discussion is a dangerous luxury.

In this environment, what is happening at a local cinema is almost beyond belief: A film is playing that seeks to give voice to secrets hidden inside many Kurdish hearts.

The film, "Let There Be Light," is in many ways a radical experiment. It pushes Turkey's restrictions on free expression to their outer limit, challenging taboos in place for decades.

Until only a few years ago, it was considered bad form even to mention the word Kurd in public, as if silence might erase the fact that about one-fourth of Turkey's citizens are of Kurdish descent. To this day there are strict rules, some written and others simply understood, about how the Kurds' plight may be portrayed in public.

The conflict that has shaken this southeastern region of Turkey for 13 years is often called a "situation," and rebel guerrillas are normally referred to as terrorists. Placing the insurgent Kurdistan Workers Party on the same moral level as the army, or suggesting that both forces are made up of idealists with valid political arguments, is strongly discouraged.

"Let There Be Light" defies these conventions and the laws in which they are codified. It is the first film to do so, and the fact that it has been released in Turkey and shown more or less freely suggests that the government, which has been strongly criticized for restricting free speech, may be turning more tolerant.

The film follows a rebel squad as it is chased through brutally cold mountains by an army patrol. Most of the fighters on both sides are killed in an avalanche, leaving only one soldier to pursue one guerrilla, who is burdened by having to carry a wounded comrade. In several encounters, the two have conversations that frame the conflict more frankly than has ever been done on film here.

"These traitors want to divide the country," the soldier asserts. "Their excuse is to claim that their rights are supposedly denied. Should we just sit by and watch?"

"What have you done for the Kurds?" the guerrilla demands. "It's you that are to blame, you and your years of oppression."

By daring to portray the two sides equally, the makers of "Let There Be Light" have caused a sensation in Diyarbakir and many other Turkish cities.

The National Security Court, which enforces laws against separatist propaganda, summoned the producer and director but decided not to press charges against them.

Evidently, the filmmakers correctly calculated just how far they could go, presenting the Kurdish case with new boldness but never insulting or demeaning the military.

Even so, cinema owners in several cities with large Kurdish populations refused to show the film, apparently under pressure from the military authorities. In theaters where the film has played, particularly in the southeast where most Kurds live, screenings have been punctuated by gasps, tears and applause. In Diyarbakir, the largest city in the southeast, the police at first harassed filmgoers but now allow showings to proceed freely.

NYT

THE PROPRIETOR of a café near the theater, who like many people in Diyarbakir was unwilling to give his name to a stranger, said the film had been a major topic of discussion at his tables.

"It was completely new to see this conflict portrayed as having two legitimate sides," he said.

"There's a lot more to be told, but this is the first film that gives any idea of what's really happening in this region. We didn't expect ever to see something like this."

A university student said he especially liked the final scene, in which the two protagonists, trapped under fire in an abandoned village, run outside in an effort to stop the shooting and save a small child they have found among the village's ruins.

"In that scene you see human beings trying to protect life in an atmosphere full of violence," he said. "That's exactly the challenge we face living here."

The director of the film, Reis Celik, 35, is a passionate believer in political cinema. "Let There Be Light" is his first feature after several documentaries, and it was chosen for showing at the recent Istanbul Film Festival.

In a conversation after the festival, Mr. Celik said the example of dozens of intellectuals and politicians jailed for their views on Kurdish nationalism had intimidated many of the people he wanted to recruit for his project. The army also indignantly turned down his request for permits and other cooperation.

He said: "When we sent them the script, their answer was: 'How do you have the audacity to make a film like this when we're fighting a war? Forget the idea immediately.' But we were already in the mountains, and we went ahead. Basically we made the film illegally. Some officials and even a couple of local military officers looked the other way, but we never got any of the permits we were supposed to have."

Most reviews have been cautiously positive. One went so far as to call the Kurdish conflict "a gaping wound that has been borne in virtual silence" and praised the film as "a brave endeavor to break the silence."

But the Istanbul daily Democrasi, which is hated by many officials for its pro-Kurdish stand, dismissed it as a tepid failure that in effect takes the side of the army.

"The guerrillas are shown as being rough and messy, while the soldiers are polite and handsome," the newspaper said. "One still wishes for a film about this issue that is so good and truthful that it would be banned or burned."

Kurds Clash As Turks Hit Northern Iraq

Compiled by Our Staff From Dispatches

ANKARA — Iraqi Kurdish fighters and Turkish Kurd separatists were locked in heavy fighting in northern Iraq, while Turkish warplanes and artillery were pounding separatist bases, the Turkish military said Thursday.

The fighting marked the second day of an incursion by 10,000 Turkish troops into northern Iraq in an effort to stop the separatists' cross-border raids. It is the biggest Turkish operation in Iraq in two years.

A senior Turkish military official said that the army's role was to provide "firepower and logistical support" for the Iraqi Kurds of the Kurdistan Democratic Party in their battle against the Turkish Kurd separatists of the Kurdish Workers Party.

He said casualty figures from the fighting were not yet available. But the semiofficial Anatolian News Agency said that more than 30 Turkish Kurd fighters had died since Wednesday.

There was no immediate word of casualties on the Turkish side.

Turkish F-4 fighters bombed Kurdish Workers Party camps in Iraq early Thursday, while attack helicopters continued an assault on rebel units.

Anatolian said Turkish troops had inflicted their first casualties in fighting around what it called the Sarisavaklar region, across the border from the Turkish province of Simak.

Kurdistan Democratic Party guerrillas were involved in fierce clashes with Kurdish Workers Party rebels in the Begova and Derkar areas northeast of Zakho, Anatolian said. *(AFP, Reuters)*

Rome vs. Illegal Parking

Many Residents Fight Back as City Tries To Bring Some Order to Chaotic Streets

By Celestine Bohlen
New York Times Service

ROME — One evening this spring, without warning, an army of giant potted palms was moved into strategic positions around Trastevere, the old neighborhood across the Tiber of narrow streets, artisan workshops, boutiques, restaurants and until now some of the most imaginative parking in Rome.

The potted palms, embedded in 3-foot-wide cement vases, were added not to decorate the freshly painted parking spaces, but to block traffic on certain streets.

It was City Hall's opening shot in the battle of the "Blue Zone," a designation that means a neighborhood has been selected to begin paid parking. And since most Romans feel strongly that they have a right to park anywhere at any time for free, the palms and the crews wielding cans of blue paint, marking off areas where nonresident motorists must pay to park, are a cause for war.

Neighborhood residents banded together in the middle of the night and moved the offending palms out of the way — "a very Roman solution," as one taxi driver noted.

"It began with the vases," said Ennio Venti, whose fish shop is on a street that is now closed to vehicles. "Suddenly we found ourselves closed in. That is when the revolt began."

Now Trastevere finds itself divided in two. Twice in the past week, stores, restaurants, workshops and bars have been shut down in protest as their proprietors argue that parking and traffic restrictions are going to kill their businesses.

Residents who yearn for unclogged streets and quiet nights gathered for a counter-rally at a neighborhood playground, urging the city to go ahead with its plans for a "Blue Trastevere."

"The people who live in Trastevere want a certain amount of discipline because cars are destroying the whole area," said Giuliana Bonacci, a photographer who has lived in the neighborhood for 30 years.

"You can't breathe anymore," Mrs. Bonacci said. "Mothers with young children have no place to play anymore. Cars have taken over the area. It is complete anarchy, and only restaurants and bars benefit from it."

Like other ancient cities, Rome is ill-suited for automobiles and has struggled to find ways to limit traffic without upsetting its citizenry. The city's historic center has been closed to all but local traffic for years. Some of the city's most famous streets are closed to all motor vehicles except taxis and motor scooters.

But as the blue zone concept moves into more residential areas, the resistance has become fiercer.

In the last few months, Rome's mayor, Francesco Rutelli, elected four years ago as the candidate of the environmentalist Green Party, has pressed ahead with a series of improvements to mass transit, new restrictions on parking, anti-smog measures and other environmental programs.

But with much of the city now dug up or closed off, Romans are in an unforgiving mood.

"There is too much chaos around, too many inconveniences," said Mrs. Bonacci, who supported Mr. Rutelli in 1993.

"I used to live in London, where they did things a little at a time," she said. "Here from one moment to the next, you find that a street that has always been two ways has suddenly become one way."

Under the city's current plan, only residents are entitled to the special permits that allow them to park for free in Trastevere. Everyone else will have to pay the equivalent of $1.20 an hour for a parking space.

Luca Bruno/The New York Times
A parking attendant in the Trastevere district. He may be put out of a job by blocked streets and parking meters.

Fabio Zeciri, a waiter at a local restaurant, anticipated the coming of the Blue Zone, and moved his family to Trastevere a few months ago so he could walk to work.

"It is cheaper," Mr. Zeciri said, "than spending 30,000 lire a day on parking," a sum equal to about $18.50. "You can't do that if you are the breadwinner of a family."

U.S. Airlines Start 5-Year Plan To End Fire Risk in Cargo Bays

By Frank Swoboda and Don Phillips
Washington Post Service

WASHINGTON — The major U.S. airlines have announced that they will begin installing fire-suppression systems in cargo holds of all commercial airliners, but they say it will take at least five years to complete the job.

The Federal Aviation Administration said Wednesday that it would move to require the industry to install the devices within three years. A Transportation Department spokesman, Bill Schulz, called the industry announcement "a positive step but one that needs to be even more aggressive."

The agency has granted Delta Air Lines permission to install the systems. Mr. Schulz said Delta was the only airline to seek such permission so far.

The industry's announcement, made by the Air Transport Association, comes a year after a ValuJet DC-9 crashed into the Florida Everglades, killing all 110 people aboard. The crash has been attributed to a fire in the cargo hold. Officials say they believe oxygen generators being shipped as cargo triggered the fire, which engulfed the aircraft.

The industry agreed in December to begin installing smoke detectors in cargo holds this autumn. But the airlines asked for more time to deal with the issue of installing fire-suppression systems. Neither side had an estimate of the cost of installing the devices.

The fire-suppression systems use halon, a chemical banned by the Environmental Protection Agency because it damages the ozone layer. The industry said it did not want to install the safety devices because there might not be enough halon and because some governments have signaled that they might not allow planes equipped with halon systems to land in their countries.

The Environmental Protection Agency wrote the Air Transport Association on Wednesday to assure the airlines that they would have an adequate supply of halon for the 3,000 aircraft that need to have the suppression systems installed. The letter said the U.S. government would take appropriate actions against any country that tried to ban their aircraft.

TRAVEL UPDATE

French Strike Widens

PARIS (Reuters) — Striking train controllers disrupted French rail services for a second day Thursday, while pilots at the state-owned Air France and Air France Europe voted to walk out for four days starting Tuesday.

Labor unions were threatening to extend the strike into the weekend, said SNCF, the state-run railroad authority.

Separately, six pilots' unions at Air France and an affiliate, Air France Europe, announced their intention to resume a strike begun last month.

USAirways' Close Call

WASHINGTON (WP) — A taxiing Lear jet of the Federal Aviation Administration came within 100 feet (30 meters) of a USAirways commuter plane taking off from National Airport, officials said Wednesday. The USAirways 37-passenger plane, cleared to take off, had just become airborne when the small jet operated by the agency taxied onto the runway in front of it.

Piles of uncollected garbage in Athens rose higher Thursday, the fourth day of a strike by trash collectors demanding employment changes. *(AP)*

WEATHER

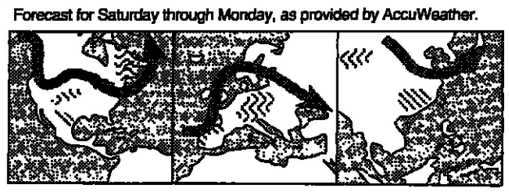
Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	19/66	12/53 c	18/66	13/55 pc
Amsterdam	28/79	17/62 c	25/79	16/61 sh
Ankara	26/79	10/50 pc	28/79	6/46 pc
Athens	24/75	18/61 pc	25/77	16/61 s
Barcelona	21/70	14/57 c	19/66	13/55 r
Belgrade	29/84	15/59 s	30/86	16/61 s
Berlin	26/79	16/61 pc	28/82	15/59 pc
Brussels	26/79	16/61 c	25/77	16/61 c
Budapest	28/82	16/61 s	30/86	16/61 s
Copenhagen	18/64	5/48 s	18/64	9/48 pc
Costa Del Sol	30/86	13/55 c	21/70	13/55 pc
Dublin	15/59	13/55 r	18/64	11/52 c
Edinburgh	16/61	13/55 r	16/61	13/55 r
Florence	29/84	16/61 pc	27/80	16/61 pc
Frankfurt	26/79	13/55 pc	27/80	13/55 pc
Geneva	23/73	13/55 c	23/73	13/55 c
Helsinki	13/55	0/32 pc	10/50	-3/27 pc
Istanbul	25/77	13/55 pc	23/73	13/55 s
Kiev	27/80	9/48 pc	19/66	7/44 s
Las Palmas	21/70	17/62 pc	22/71	18/64 pc
Lisbon	19/66	13/55 c	20/68	14/57 pc
London	23/73	15/59 s	24/75	15/59 sh
Madrid	21/70	11/52 r	21/70	8/48 sh
Mallorca	20/68	18/61 c	17/62	14/57 r
Milan	27/80	17/62 c	25/77	15/59 c
Moscow	19/64	3/37 pc	12/53	1/34 c
Munich	25/77	13/55 pc	26/79	13/55 pc
Nice	22/71	14/57 c	21/70	16/61 c
Oslo	15/59	4/39 pc	17/62	9/48 pc
Paris	26/79	16/61 c	24/75	14/57 pc
Prague	27/80	13/55 s	27/80	13/55 pc
Reykjavik	9/48	6/46 r	11/52	6/43 r
Riga	15/59	3/37 s	13/55	2/35 pc
Rome	24/75	14/57 pc	25/77	15/59 pc
St. Petersburg	12/53	2/35 c	8/46	-1/31 c
Stockholm	12/53	3/37 s	11/52	2/35 pc
Strasbourg	28/82	15/59 pc	29/79	14/57 c
Tallinn	13/55	6/32 pc	10/50	-2/29 pc
Tbilisi	25/77	11/52 pc	27/80	14/57 pc
Venice	27/80	18/61 pc	29/79	16/61 pc
Vienna	27/80	18/61 s	28/82	16/61 s
Warsaw	25/77	9/48 pc	23/73	9/48 pc
Zurich	24/75	13/55 c	23/73	13/55 c

Middle East

Abu Dhabi	34/93	18/68 s	34/93	21/70 s
Beirut	25/77	18/61 pc	23/73	14/57 s
Cairo	35/95	18/61 s	35/95	18/61 s
Damascus	28/84	11/52 pc	29/84	9/48 s
Jerusalem	26/79	11/52 s	26/79	9/48 s
Luxor	43/109	19/66 s	42/107	19/66 s
Riyadh	39/102	24/75 s	39/102	24/75 s

Forecast for Saturday through Monday, as provided by AccuWeather.



North America
Windy, chilly weather will hang on across New England Saturday, but turning milder with some sunshine Sunday. The Northeast will be comfortably warm with a good deal of sun through the period. Very warm in the central Plains, but turning cooler with thunderstorms Saturday.

Europe
Continued warm across most of Europe through Monday. Berlin, Vienna and Rome will be mostly sunny and very warm with highs in the middle to upper 20s. Paris, London will be mild and humid with occasional rain this weekend, but warm and dry Monday. Rainy and cool in Spain.

Asia
Sunny, very warm and dry across western China, but the southeast will be humid with showers and soaking rains. Seoul and Tokyo will be cool with clouds, some sun and a couple of showers; it will be windy. Hot, dry weather will continue over most of India through the period.

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	12/53	3/37 pc	11/52	3/37 c
Atlanta	23/73	11/52 s	24/75	14/57 pc
Boston	18/61	7/44 sh	18/64	7/44 pc
Chicago	17/62	6/43 pc	19/66	9/48 pc
Dallas	29/84	17/62 s	28/82	17/62 pc
Denver	29/84	11/52 s	28/82	11/52 pc
Detroit	16/61	4/39 pc	18/64	8/46 pc
Honolulu	27/80	20/68 sh	28/82	19/66 pc
Houston	28/84	18/64 pc	29/84	18/64 pc
Los Angeles	30/86	16/61 s	28/82	15/59 pc
Miami	30/86	22/71 c	30/86	24/75 pc
Minneapolis	18/64	6/43 pc	21/70	11/52 pc
Montreal	10/50	1/34 r	9/48	-1/31 pc
Nassau	29/84	22/71 pc	31/88	23/73 pc
New York	19/64	9/48 pc	19/66	12/53 pc
Orlando	30/86	18/64 t	29/84	20/68 pc
Phoenix	40/104	24/75 s	39/100	23/71 pc
San Fran	27/80	16/59 s	26/79	12/53 pc
Seattle	22/71	11/52 pc	20/68	8/46 pc
Toronto	9/48	4/25 sh	9/48	1/34 pc
Vancouver	21/70	8/46 c	18/64	8/46 pc
Washington	19/66	9/48 pc	20/68	12/53 pc

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	24/75	9/48 c	19/66	6/43 pc
Bali	33/91	23/73 s	32/89	22/71 s
Bangkok	34/93	25/77 pc	33/91	25/77 c
Beijing	27/80	13/55 s	28/82	17/62 s
Bombay	34/93	25/77 s	34/93	28/79 s
Calcutta	36/97	24/75 s	35/95	23/73 pc
Chiang Mai	34/93	24/75 pc	34/93	24/75 c
Colombo	29/84	24/75 r	29/84	24/75 r
Hanoi	31/88	25/77 r	30/86	25/77 sh
Ho Chi Minh	34/93	25/77 c	33/91	25/77 pc
Hong Kong	28/82	24/75 r	28/82	24/75 sh
Islamabad	37/98	19/66 s	37/98	20/68 s
Jakarta	31/88	23/73 r	31/88	23/73 pc
Karachi	38/100	25/77 s	37/98	24/75 s
K. Lumpur	32/89	23/73 sh	32/89	23/73 c
K. Kinabalu	32/89	22/71 pc	31/88	22/71 pc
Manila	33/91	22/71 s	33/91	23/73 s
New Delhi	43/109	23/73 s	41/106	25/77 s
Phnom Penh	33/91	23/73 sh	33/91	23/73 pc
Phuket	34/93	25/77 pc	33/91	25/77 c
Rangoon	34/93	25/77 pc	34/93	25/77 c
Seoul	22/71	5/41 s	21/70	8/48 s
Shanghai	24/75	13/55 pc	23/73	15/59 s
Singapore	32/89	22/71 pc	32/89	22/71 pc
Taipei	29/84	22/71 r	25/77	22/71 r
Tokyo	26/79	22/71 c	23/73	14/57 r
Vientiane	29/84	24/75 r	31/88	24/75 sh

Africa

Algiers	21/70	16/61 r	21/70	14/57 r
Cape Town	24/75	12/53 s	22/71	11/52 pc
Casablanca	18/64	12/53 c	16/61	13/55 pc
Harare	29/84	12/53 s	31/88	13/55 s
Lagos	31/88	23/73 pc	29/84	23/73 pc
Nairobi	23/73	14/57 sh	26/79	13/55 pc
Tunis	24/75	15/59 pc	28/82	17/62 pc

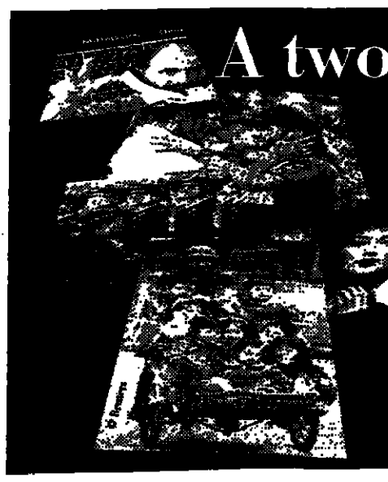
Latin America

Buenos Aires	23/73	15/59 c	20/68	14/57 r
Caracas	29/84	23/73 pc	30/86	24/75 pc
Lima	24/75	17/62 pc	24/75	17/62 pc
Mexico City	29/73	11/52 pc	25/77	11/52 pc
Rio de Janeiro	21/70	15/61 pc	22/71	17/62 pc
Santiago	14/57	10/50 r	12/53	3/37 r

Oceania

Auckland	16/61	10/50 pc	16/61	9/48 pc
Sydney	20/68	18/64 sh	21/70	17/62 r

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hcl, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997



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THE AMERICAS

Air Force Fears Public Spectacle Over the Woman Who Sinned

By Elaine Sciolino
New York Times Service

WASHINGTON — Less than a week before the court-martial of the first female B-52 pilot on adultery and other charges, the secretary of the air force has told associates she would consider allowing the officer to resign with an honorable discharge, senior air force officials say.

Reeling from the negative public reaction to the prosecution of 2d Lieutenant Kelly Flinn, 26, the air force secretary, Dr. Sheila Widnall, is struggling to find a way to avoid what she expects will be the further spectacle of a high-profile court-martial, the officials said.

Lieutenant Flinn is accused of adultery with a married civilian, of fraternization with a lower-ranking unmarried airman, of lying to investigators and of disobeying an order to stay away from the married man.

Lieutenant Flinn, a million-dollar-plus air force investment who was hand-picked to fly Dr. Widnall in a B-52 last year, would not have to plead guilty to any of the charges against her under air force procedures.

Under normal rules, people facing court martial are entitled to ask to be given the chance to resign, a procedure known as resignation in lieu of court-martial, or RILO. There is no guarantee that their requests would be granted, and they still might be required to plead guilty to some charge. In these cases an honorable discharge is seldom granted.

[The Pentagon said Thursday that no such request has been submitted and that Dr. Widnall has made no decision on approving a possible honorable discharge, The Associated Press reported.

[The Pentagon statement added that "The suggestion in today's New York Times that the Secretary of the Air Force has already decided to approve a Resignation in Lieu of Court Martial with an honorable discharge is inaccurate." However, the statement noted that Lieutenant Flinn had the right to request through her chain of command that she be allowed to resign instead of facing trial by court martial.]

What makes Dr. Widnall's position particularly delicate is that under military rules, she cannot formally offer leniency to Lieutenant Flinn in exchange for avoiding a trial the way a prosecutor can in civilian life. That would violate military rules against using a position of command to influence a court proceeding. Dr. Widnall is even prohibited from suggesting such an offer to officers in Lieutenant Flinn's chain of command.

As the air force faces a barrage of criticism that it is unfairly punishing Lieutenant Flinn for committing offenses that it often overlooks, senior air force officials have concluded that the air force is in a no-win situation if the court-martial goes forward.

"There is some concern the reputation of the air force is being unfairly tarnished," said one senior air force official, who requested anonymity. "Dr. Widnall would certainly consider the facts in this case, and if the RILO came she would most probably accept it. I can't necessarily say a discharge would be honorable, but she would certainly consider the ramifications of the range of discharges."

It was not clear whether the air force was trying to send a signal to Lieutenant Flinn in order to encourage her to make a deal, the terms of which she would not know in advance.

Lieutenant Flinn is facing charges of adultery, fraternization, disobeying a direct order and making a false sworn statement. Even though she has admitted at least some of the charges on national television, she has questioned whether the crimes warrant a court-martial and has not yet entered a plea.

Under military rules, only Lieutenant Flinn can initiate a request that she resign rather than face court-martial, but she has not done so.

Over and over in recent weeks, air force officials have emphasized that what is important to remember about Lieutenant Flinn is that she broke a bond of trust by lying and disobeying, not that she had an affair with a married civilian.

Pentagon Plan Draws Fire for Not Changing Forces' Mission

By Philip Shenon
New York Times Service

WASHINGTON — Even before the Pentagon makes public its blueprint for the military of the 21st century, the strategic review is drawing biting criticism from lawmakers, military scholars and analysts who say it should have called for more drastic changes in the size and mission of the armed forces.

With details of the review trickling out of the Pentagon in recent weeks, some prominent critics have said the Defense Department appears to have squandered an opportunity to remake the services during a remarkable period in which the United States faces no military equal.

Pentagon officials say their report, the Quadrennial Defense Review, which is seen as an early test of the leadership of Defense Secretary William Cohen, will recommend that the number of active-duty troops in the military be cut by about 4 percent and that the budget for jet fighters and other advanced weapons be trimmed.

But, they say, the review will not recommend the cancellation of any major weapons programs, even though many of those arms were specifically designed for use against an enemy that disappeared with the collapse of the Soviet Union. Nor will it recommend dramatic shifts in the number of troops deployed abroad.

The review, to be made public Monday, is drawing criticism from within the Pentagon, with a senior Defense Department weapons analyst describing it as a "deeply flawed exercise."

"This is a Cold War modernization program, and the name of the game is to protect the status quo," said the analyst, Franklin Spinney, who has irritated the Pentagon for years with his candor.

Mr. Spinney said military contractors were among the clear victors in the process, with the Pentagon planning to cut troop strength to pay for new weapons — "toys over boys," as he put it.

Senator John McCain, Republican of Arizona, who is a member of the Senate Armed Services Committee, said that the details made public so far showed that "not a whole lot of tough choices were made," and that many of those choices would now be left to Congress.

Many senior congressional Republicans have argued that the review makes too many provisions for international peacekeeping operations, like the American-led NATO operation in Bosnia, at the expense of other military tasks.

Earlier this week, in a speech offering his first extensive remarks on the review's conclusions, Mr. Cohen said the Pentagon had chosen "to largely sustain the current force."

"We intend to maintain a robust presence in key regions of the world," he said, noting that the Defense Department had decided to maintain a doctrine requiring the military to be ready to fight two large regional wars at virtually the same time. "We need the capability to fight and win major theater wars in two places. It signals our resolve to friends and foes alike."

Mr. Cohen said the review would call for U.S. troop deployments abroad to be held at current levels: about 100,000 troops in Asia, and 100,000 in Europe.

A senior deputy to Mr. Cohen, speaking on condition that he not be identified by name, said many of the criticisms of the review "are just plain silly, given how well the American military carries out its mission today."

"This is not a force that needs to be overhauled," the official said.

Still, many military analysts have questioned the Pentagon's decision not to make more drastic cuts in what is now a $350 billion budget for a new generation of jet fighters — the air force's F-22, the navy's F/A-18E/F and the services' Joint Strike Fighter — given the superiority of the current generation of fighters and the absence of a superpower rival.

Pentagon officials say the review will very likely recommend that the orders for air force and navy jets be cut by about 25 percent.

POLITICAL NOTES

Dennis Cook/The Associated Press
Representative Dan Burton.

Mobutu Visa for Donation?

WASHINGTON — The chairman of the panel investigating campaign fund-raising supported Mobutu Sese Seko's request for a U.S. visa after accepting campaign contributions from the Zairian president's Washington lobbyist.

Representative Dan Burton, Republican of Indiana, wrote to the State Department in 1995 to argue that Marshal Mobutu should be granted a visa to travel to the United States at a time he was regarded by the Clinton administration as an obstacle to democracy in his country.

Over the past eight years, Mr. Burton has received $4,500 in campaign contributions from Edward van Kloberg, a lobbyist for a long list of Third World governments that includes Zaire.

Mr. van Kloberg is paid $300,000 a year to represent Marshal Mobutu's interests in Washington, according to public records.

Mr. Burton also has collected at least $5,000 from a Mobutu advocate, Mamadi Diane. Mr. Diane is a businessman who founded the tax-exempt Zaire-American Research Institute, an advocacy organization. Mr. Burton's efforts on behalf of Marshal Mobutu were first reported by The Hill, a Washington-based weekly publication that covers Congress.

Several years before recommending the visa, Mr. Burton gave floor speeches in the House of Representatives praising Marshal Mobutu's efforts at democratic reform in his country.

A spokesman for Mr. Burton, John Williams, said the congressman's position on Zaire had been influenced partly by the role Zaire played at the time in funneling supplies to U.S.-backed rebels in neighboring Angola.

"The congressman has done nothing illegal; the congressman has done nothing unethical," he said.

Mr. Williams said the disclosures had been fueled by partisanship because of Mr. Burton's role in investigating fund-raising in President Bill Clinton's re-election campaign. Mr. Burton's supporters also have argued that partisanship motivated charges by a Democratic lobbyist, Mark Siegel, that the congressman tried to pressure him to raise money for his re-election in 1996. *(AP)*

Whitewater Jury Dismissed

WASHINGTON — A federal Whitewater grand jury has been dismissed after taking testimony from the first lady, Hillary Rodham Clinton, and dozens of other witnesses.

The grand jury was dismissed last week because under court rules, Kenneth Starr, the independent counsel, was barred from seeking an extension. But he can submit evidence to a new grand jury, including transcripts of testimony submitted to the panel that has expired. Mr. Starr personally thanked the grand jury at its last meeting May 8.

The term of a separate Whitewater grand jury in Little Rock, Arkansas, which had been set to expire May 7, recently was extended by a federal judge until Nov. 7 after Mr. Starr said he needed more time to interview newly named witnesses and to review "extensive evidence" of possible obstruction of justice.

Among other things, the grand jury had been looking into the removal of Whitewater documents and other papers from the office of the White House deputy counsel, Vincent W. Foster Jr., after his death in July 1993.

Mrs. Clinton testified for four hours before the Washington panel in January 1996, in an unprecedented grand jury appearance for a first lady.

At the time, the grand jury was believed to be looking into the disappearance of some of Mrs. Clinton's billing records from her former firm, the Rose Law Firm in Little Rock — records that were under subpoena — and their subsequent discovery in private living quarters of the White House. The papers were found only days before Mrs. Clinton was called before the grand jury. *(AP)*

Quote/Unquote

Senator Rick Santorum, Republican of Pennsylvania, who is leading the fight to ban partial-birth abortions: "You need only look at the selfishness, the individual self-centeredness of this procedure — a procedure we would not do on Jeffrey Dahmer, a procedure we would not do on the worst criminal in America, we will do on a healthy little baby."

Senator Barbara Boxer, Democrat of California, in response: "Who decides? Senator Santorum? I hope not. I know politicians have big egos, but we're not doctors." *(NYT)*

Public Housing Bill Opens Door Wider to Those Who Work

By Lizette Alvarez
New York Times Service

WASHINGTON — Challenging decades of housing policy that favored the neediest, the House has voted to change the face of public housing by providing shelter to more of the working poor.

The bill, which passed Wednesday by a vote of 293 to 132, would repeal a landmark 1937 Depression-era housing law that Republicans say has turned once-livable housing projects into miserable ghettos for the unemployed.

It is intended to replace the old framework with a system that makes way for higher-income tenants and creates what the bill's supporters say will be more self-sufficient communities, requiring less government aid. The measure could cut roughly in half the percentage of extremely poor tenants living in public housing, now about 75 percent, through attrition. It also would revamp rent policies so that every tenant's monthly payments would not necessarily rise along with income, a practice criticized as discouraging public-housing residents from getting off welfare.

The measure would require many public-housing tenants who are unemployed to perform eight hours of community service a month, or in most cases, risk eviction.

The legislation is another step in Republican efforts to compel people to get off welfare and join the work force or at the very least, repay the community through volunteer work.

"There will be no bill that is signed that will end poverty," said Representative Rick Lazio, Republican of New York, who sponsored the bill. He added that "the best that we can hope for" is a "set of incentives for work, for family, for local control, for responsibility and for accountability."

Only one Republican, Representative Ron Paul of Texas, opposed the measure, while 71 Democrats supported it. The Senate is expected to take up its version of the bill later this spring.

■ New Policies on Disabled Students

Rene Sanchez of The Washington Post reported:

Also Wednesday, the Senate easily passed and sent to President Bill Clinton a bill that revamps how the nation's public schools educate and discipline students with physical, emotional or learning disabilities.

The passage marks the end of more than two years of debate on the proper way to teach disabled children, a subject of growing concern in many schools where the costs of special education are soaring. This decade, the number of students identified with some kind of disability has increased to 5.4 million, from 4.8 million.

The bill, which Mr. Clinton has said he would sign, shifts how schools receive nearly $4 billion in federal aid for special education and take steps designed to improve academic programs for disabled students. It also gives educators more power to suspend for up to 45 days disabled students who bring weapons or drugs to school.

Michael McMullan/The Associated Press
An expert, in a test at the University of Rhode Island crime lab, firing the rifle believed to have been used to kill Martin Luther King Jr.

Away From Politics

• **The gun believed to have killed Martin Luther King Jr.** was fired for the first time in nearly 20 years by weapons experts. The test was part of an effort by James Earl Ray, who pleaded guilty to assassinating the civil-rights leader in 1968 in Memphis, Tennessee, to prove his innocence. Mr. Ray argues that the test will show that another weapon was used to kill Dr. King. *(AP)*

• **The space shuttle Atlantis** and a crew of seven took off from Cape Canaveral, Florida, in pursuit of Russia's orbiting Mir station, in urgent need of an oxygen generator and other repair equipment being ferried up. The Mir has had numerous breakdowns as well as a fire since Atlantis's last visit, in January. *(AP)*

• **Dr. David Baltimore,** an AIDS researcher who won a Nobel prize in 1975 and was later caught up in an unfounded science-fraud scandal that cost him the presidency of Rockefeller University, has been appointed president of the California Institute of Technology. *(NYT)*

• **The U.S. highway safety agency** is developing a driving test to rate vehicles on whether they are likely to roll over in accidents. *(AP)*

• **Saying begging is constitutionally protected** free speech, Massachusetts's high court struck down a 111-year-old state law that permitted the imprisonment of panhandlers. *(AP)*

Prosecutors Seek Death Penalty for Unabomber

Washington Post Service

WASHINGTON — Federal prosecutors preparing for the murder trial of Theodore Kaczynski, the Unabomber suspect, have requested that Attorney General Janet Reno seek the death penalty in the case, according to sources familiar with the deliberations.

The request, forwarded to a special Justice Department panel that is reviewing the case, came despite the fact that Mr. Kaczynski's relatives, who played a key role in his arrest, have asked that his life be spared if he is convicted. There also are questions about Mr. Kaczynski's mental state.

It was unclear Wednesday night what Ms. Reno's final decision would be, and she has ordered Justice Department officials not to discuss the matter.

Prosecutors decided that while they were mindful of Mr. Kaczynski's family's wishes and other factors, the death penalty was warranted because they had uncovered volumes of evidence suggesting that the suspect was cold, calculating and exacting over 17 years of bombings that killed three people and injured 23 others. Prosecutors said they also had to consider the families of the victims.

College Fraternities Try to Go Dry

In Move to Change Culture of Excess, Some Are Banning Alcohol

By Dirk Johnson
New York Times Service

CARBONDALE, Illinois — As bashes go, the party at the Alpha Tau Omega house was a rerun. Fraternity members donned leis, frolicked with sorority sisters and drank gallons of beer.

But it was the last of its kind at Southern Illinois University. Fraternities here are going dry.

"This is going to kill recruitment," said Sean Pechan, 22, an advertising major who said he doubted that students would be willing to dress in togas or grass skirts while sober. "It just wouldn't be the same," he said.

As part of a pilot program, Southern Illinois and four other U.S. colleges and universities are banning alcohol in their fraternities. Two national fraternities also have vowed to ban alcohol in all chapters by 2000.

National fraternity leaders say that "substance-free housing" — tobacco is also forbidden — will become the norm at fraternities on American campuses in the next few years. Alcohol has always been banned at sororities.

"We're trying to change the culture of fraternities who misuse alcohol," said Jonathan Brant, an official with the National Interfraternity Conference. He called for what he described as a return to the founding principles of fraternities: scholarship and public service.

He conceded that many members would not be pleased. "There are people who joined a fraternity to consume alcohol," Mr. Brant said. "They're not happy."

A Harvard University study in 1995 found that fraternity members were more likely than other students to drink in binges, defined as consuming five or more drinks in one sitting in the previous two weeks. Over the years, there have been many tragedies involving alcohol at fraternities.

The four other colleges that volunteered to take part in Select 2000, the pilot program to ban alcohol in fraternities, are Villanova in Pennsylvania, Florida Southern, Northern Colorado and the Rochester Institute of Technology in New York.

Because universities own the fraternities, they have authority to impose such rules.

Danish Mom Recovers Child

The Associated Press

NEW YORK — A Danish mother was reunited with her 14-month-old daughter four days after she was arrested for leaving the girl outside a restaurant while she dined inside with the girl's father.

"From what I hear, everything went as smoothly as possible" when Annette Sorensen and her daughter, Liv, were reunited Wednesday, a New York spokeswoman said.

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New Hong Kong Chief Eases Curbs on Liberty

But Tung Defends 'Asian Values' Policy

By Edward A. Gargan
New York Times Service

HONG KONG — Reacting to an avalanche of local and international criticism of its plans to roll back a range of civil liberties for Hong Kong, the territory's government-in-waiting announced plans Thursday to slightly relax its proposals to curb public demonstrations and control political groups.

And while the new proposals, which are certain to be approved by Beijing's hand-picked legislature for Hong Kong, are marginally less austere than originally proposed last month, they still mark a sharp curtailment of existing liberties in Hong Kong.

In addition, the incoming government said it would give the police the right to ban any protest or organization on grounds of national security, a term that is used in China to embrace virtually any criticism of the central government or the Communist Party.

Tung Chee-hwa, the shipping magnate chosen by China to run the territory when Chinese rule resumes on July 1, defended the restrictions on civil liberties as an expression of what he calls "Asian values."

"There has to be a proper balance between civil liberties and social order," he said in a speech Thursday evening to the Asia Society, an American cultural and lobby group concerned with Asian issues. "We have listened carefully to public opinion," continued Mr. Tung, "and have taken positive steps to address some of the concerns addressed."

Broad new powers to ban organizations will be assumed by the incoming government if those groups are deemed to jeopardize national security and public order. Foreign political organizations, including groups in Taiwan, but not in China, will be barred from contributing to local political organizations under the proposals; the Chinese Communist Party will be permitted to finance whatever political groups or activities it likes.

In the weeks since Mr. Tung first announced the limiting of civil liberties, there has been an explosion of public protest and criticism of his proposals. For three weeks, his office accepted written comments, while on Hong Kong's streets, activists carried out repeated protests over the proposed restrictions.

Thursday, after a review of the onslaught of public comment, an official in Mr. Tung's office declared that some of the original proposals would be eased. In particular, the incoming government will no longer require protesters to provide seven days' notice before a demonstration. However, the police will be given the authority to prohibit any public protest "in the interests of national security or public safety, public order or the protection of the rights and freedoms of others."

Pro-democracy activists who have challenged the need to modify any of Hong Kong's existing civil liberties were quick to attack Mr. Tung's plans.

"Our party is disappointed," said Yueng Sum, a leader of the Democratic Party, the largest political party in Hong Kong's elected legislature. "After the date of changeover, people's civil liberties will be more restricted. We still think a lot of restrictions will be imposed on public processions and the formation of societies."

Britain's last governor here, Chris Patten, whose tenure expires with the end of colonial rule, also queried the need to rein in civil rights. "The central question that people have been asking about this exercise remains unanswered, and that is why any of it should be necessary," Mr. Patten said in a statement released by his office Thursday. "No convincing explanation was given at the outset and none is given now. Public order in Hong Kong is as good as it is anywhere in the world, and is better than in a great many places."

In the years after Chinese Army troops killed hundreds, perhaps thousands, of Beijing citizens and students near Tiananmen Square in 1989, the Hong Kong government introduced a series of laws to strengthen civil liberties and rights, moves that were denounced at the time by Beijing. The decision by Mr. Tung's shadow administration to reimpose more severe restrictions on these liberties has been widely seen here as an effort to placate China.

Mr. Tung said, "We listened very carefully to the views of the people," referring to the inundation of letters, statements and legal opinions received by his office over a three-week period. "I think it's interesting to note that people by and large supported the basic principles of finding a proper balance between the rights of individuals and the order of our community."

Ahn Young Joon/The Associated Press

Kim Hyun Chul, son of President Kim Young Sam of South Korea, arriving for questioning at the state prosecutor's office Thursday.

Seoul Zeroes In on Kim's Son

Arrest Is Likely in Hanbo Steel Bribery Affair

Compiled by Our Staff From Dispatches

SEOUL — Prosecutors who questioned President Kim Young Sam's son Thursday said they were confident they could charge him in the Hanbo bribery scandal that has rocked his father's government.

The interrogation of Kim Hyun Chul, 37, came amid indications that a four-month government investigation into the affair was nearing an end.

"Prosecutors have secured enough evidence that he violated laws," a state official said shortly after Kim Hyun Chul arrived at the Supreme Public Prosecutor's office. "We are trying to secure his confession."

A senior prosecutor, Shim Je Ryoon, said the president's son had admitted accepting money from businessmen but denied that the funds represented bribes.

Prosecutors claim that Kim Hyun Chul hid at least $13.7 million in stocks and investments in companies run by his associates.

They also say he used more than 100 secret bank accounts to shield money he received from businesses that sought government contracts and licenses.

The president's son was questioned in February, but no evidence of wrongdoing was found then. But this time, Mr. Shim said, "We will prove piece by piece" that the son has taken bribes. "We expect him to deny the allegations at first, but he will eventually have to cooperate."

Kim Hyun Chul is the first relative of an incumbent South Korean president to face possible criminal charges. If found guilty of bribery, he could be sentenced to up to five years in prison and fined up to $11,500.

His arrest would seriously damage President Kim's ability to choose his governing party's candidate for a presidential election in December. By law, Mr. Kim can not succeed himself.

The president's son was tight-lipped as he waded through an army of reporters before entering the prosecutor's office Thursday.

The scandal grew out of the bankruptcy of Hanbo Steel & General Construction Co. in January. Eleven people, including several key associates of President Kim, have been arrested and charged with taking or giving bribes in exchange for arranging improper bank loans to Hanbo.

Opposition parties have identified the president's son as the main backer of the steel company, which collapsed after piling up $6 billion in debt. *(Reuters, AP)*

BRIEFLY

Taiwan's Lee Vows Not to Run

TAIPEI — President Lee Teng-hui of Taiwan made a fresh pledge Thursday that he would not seek another four-year term when his presidency expires in 2000.

At a news conference, Mr. Lee said he had answered the question many times before but that his denials had not been taken seriously.

Mr. Lee also denied that he was grooming a successor in Vice President and Prime Minister Lien Chan, saying the next president "should be decided by the general public."

Mr. Lee and Mr. Chan, of the ruling Nationalist Party, easily defeated the opposition in a March 1996 election that was billed as the first democratic election of a leader in Taiwan. But the decision by Mr. Lee, who had been president since 1988, to run set off serious power struggles within the party. *(AFP)*

Pakistan Rebuffs U.S. on Agent

ISLAMABAD, Pakistan — Pakistan on Thursday rejected a U.S. demand for the release of a detained local employee of Washington's Drug Enforcement Agency.

A Foreign Ministry spokesman said at a news briefing that Ayaz Baloch, an employee of the drug agency office at the U.S. Embassy in Islamabad, was a Pakistani citizen and would be dealt with under Pakistani law.

"The Americans, while they can express their views, cannot technically make such a request," he said when asked about the U.S. demand last weekend for Mr. Baloch's release.

"This is a matter which comes under the legal domain. This is not a political issue."

Pakistani police arrested Mr. Baloch last week, accusing him of "involvement in drug trafficking and anti-state activities."

Islamabad has declined to explain the charges but has denied the arrest was in retaliation for the arrest in New York last month of a senior Pakistan Air Force officer accused of carrying two kilograms (4.4 pounds) of heroin in an air force plane. *(Reuters)*

Okinawans Protest U.S. Bases

NAHA, Japan — Thousands of Okinawans took note of the 25th anniversary of the islands' return to Japanese authority Thursday with protests against the U.S. military bases that dot Okinawa.

Anti-military marches organized by labor unions, left-leaning political groups and landowners were held across Okinawa, where nearly 30,000 U.S. troops are deployed.

Riot police were stationed to protect the bases from an overzealous demonstrators, but the protests were peaceful.

Thursday's anniversary marks the 1972 reversion of Okinawa to Japanese rule after 27 years under post-World War II U.S. administration.

Though the occupation of the rest of Japan ended in 1952, Washington held on to Okinawa for an additional 20 years because of the islands' strategic importance. *(AP)*

Party's March Turns Violent in Jakarta

Compiled by Our Staff From Dispatches

JAKARTA — Several people were injured in violence involving supporters of Indonesia's governing Golkar party during election campaigning Thursday in Jakarta, witnesses said.

Minor clashes have punctuated the campaign for the May 29 general elections.

Witnesses said Golkar supporters passing a construction site in a southern suburb of the capital demanded that the workers there join them in shouting political slogans. After the workers refused, stone-throwing erupted from both sides. Several people sustained head wounds, but the fighting died down before armed troops and anti-riot police reached the scene, the witnesses said.

The windshields of more than 20 cars were damaged and stones littered the thoroughfare adjoining the construction site. Witnesses said none of those injured appeared to be badly hurt.

Meanwhile, the police said six people were killed in campaign-related traffic accidents in Jakarta. Most of the people killed in the accidents fell off trucks or were hit by cars during parades. *(Reuters, AP)*

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THE INTERMARKET Continues on Page 14

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EUROPE

Swiss Aid Foundation Gets Finance Chiefs' Backing

Compiled by Our Staff From Dispatches

ZURICH — Switzerland's plan to create a $5 billion humanitarian fund by selling official gold reserves won some support Thursday when state finance chiefs endorsed the idea, though with conditions.

The Conference of Cantonal Finance Directors backed the plan at its annual meeting in Glarus, southeast of Zurich, after discussing concerns with officials at the Swiss National Bank and the federal Finance Ministry.

A statement said the conference, made up of representatives from the states, or cantons, of the Swiss confederation, "supports the government's intention to create the Solidarity Foundation in 1998 as testimony to Switzerland's humanitarian tradition."

The government sought support from the influential group to help to persuade voters to back the plan in a referendum next year.

The plan, announced in March, calls for revaluing official gold reserves — now on the bank's books at less than a third of their market value — by 14 billion Swiss francs ($20 billion), half of which would finance the fund.

Gradually selling 7 billion in gold and investing the proceeds in securities would generate about 350 million Swiss francs a year to distribute to victims of poverty, abuse and disasters in Switzerland and abroad.

The fund would be separate from a 265 million Swiss franc Holocaust memorial fund that Swiss banks, other private businesses and the national bank are financing for needy Holocaust survivors and their families.

Opinion polls taken immediately after the announcement showed most Swiss backed the idea of creating the humanitarian foundation, which the government hopes will clear the air of accusations that Switzerland cynically profited from World War II. But resistance to the idea has grown, with rightist politicians complaining that Switzerland was being blackmailed into selling off national treasures.

While supporting the foundation in principle, the cantonal officials said its goals had to be clarified so that the fund did not compete against state or private social welfare programs.

In Washington, meanwhile, a top Swiss envoy complained Thursday that Switzerland was being treated as an "international outcast" despite its moves to make amends for accepting looted gold from Nazi Germany.

Referring to the Holocaust and humanitarian funds, , the diplomat, Thomas Borer, said, "I am sorry that these endeavors have, as of yet, found little recognition and acknowledgment in the United States."

He added that the Swiss "are perplexed and wonder why, in spite of these efforts, they continue to be treated as an international outcast." *(Reuters, AP)*

Florian Lamette/The Associated Press

French farmers dumping Spanish strawberries during the protest Thursday against farm imports.

BRIEFLY

Farmers Riot in Marseille

MARSEILLE — More than 300 farm workers ransacked fruit and vegetable markets early Thursday to protest imports of foreign agricultural products, the police said.

French farmers are concerned that their livelihoods are being undercut by foreign competitors who do not respect the labor conditions and quality checks imposed in France.

Regional farmer's unions organized the protest outside the Arnavaux markets near Marseille. Workers blocked the entrance at 3 A.M., stopping the unloading of foreign produce and overturning boxes of fruit and vegetables from Spain and North Africa. A group of protesters intercepted a truck carrying Spanish strawberries at the city's old port, destroyed the produce and set the truck on fire. *(AP)*

Albania Depot Explodes

GJIROKASTER, Albania — An ammunition dump in southern Albania was rocked by explosions Thursday that killed four people and injured 14, officials said.

Some 10 to 15 people were still trapped in the dump, said an Italian spokesman for the multinational force protecting aid supplies. Ammunition stores across Albania were looted during rioting that swept the country in February and March after thousands of people lost their savings in shaky investment schemes.

In Tirana, meanwhile, a European envoy, Franz Vranitzky, met political leaders for further talks about organizing elections aimed at restoring stability to the country. *(Reuters)*

Turk Opposition Gears Up

ISTANBUL — The head of Turkey's main opposition party, Mesut Yilmaz, said Thursday that his Motherland Party would submit a censure motion by the weekend to try to topple the Islamist-conservative coalition.

"We are planning to submit the censure motion by tomorrow evening," the Anatolian press agency quoted Mr. Yilmaz as saying. "Our aim is to ensure the censure motion is discussed in Parliament next week."

Opposition and dissident government legislators have been negotiating to try to bring down the government led by the Islamist prime minister, Necmettin Erbakan. *(Reuters)*

Ireland Elections: June 6

DUBLIN — Prime Minister John Bruton moved Thursday to call a national election for June 6, gambling that the "feel-good factor" from a booming economy would trim the opposition's 11-point lead in the polls.

Mr. Bruton, whose three-party "Rainbow coalition" came to power in 1994, had until November to call the election but opted to stage it early in the wake of what he called Ireland's biggest tax-cutting budget ever. His rival, Bertie Ahern of Fianna Fail, was confident that voters would return a "young, invigorated government into the next millennium." *(Reuters)*

Laurie Lee, 82, Poet And Memoirs Author

By Rick Lyman
New York Times Service

Laurie Lee, 82, a poet, novelist and scriptwriter who grew up in a small Cotswold village in England, walked across Europe, fought in the Spanish Civil War and wrote about all three in a highly regarded series of memoirs, died Wednesday at his home in Gloucestershire, England.

Mr. Lee was already a celebrated poet when he gained his greatest success in 1959 with the publication of the first of his memoirs, "Cider With Rosie," evoking life in the village of Slad during his childhood. The book was originally published in America as "The Edge of Day: A Boyhood in the West of England."

"It was a world I wanted to record because it was such a miracle visitation to me," Mr. Lee said. "I wanted to communicate what I had seen so that others could see it."

In his second memoir, "As I Walked Out One Midsummer Morning" (1969), Mr. Lee assumes center stage, telling how he left his village when he was 19, carrying only a violin and a blanket, walked to London, worked as a sidewalk musician and a laborer and then traveled to Spain, where he eventually settled for a year in Almunecar, then a fishing village east of Malaga.

When the Spanish Civil War broke out in 1936 Mr. Lee fought with the Loyalists, but he fled the country when he heard an erroneous report that General Francisco Franco's forces had won. His flight haunted him, and in 1937 he walked back across the Pyrenees to rejoin the International Brigades and fight again for the Loyalists.

His experiences in the war were the subject of his third and final memoir, "A Moment of War" (1993), which he struggled to finish as his eyesight was failing. He had conflicting feelings about the war, he said, particularly about an incident, which is the book's climax, when he killed a man in battle.

Recurring bouts of pneumonia eventually forced Mr. Lee to leave Spain again, and he went to work for the Crown Film Unit in London, writing scripts for the BBC. In 1944, he became publications editor for the Ministry of Information.

Bessie Schoenberg, 90, U.S. Teacher of Dance

New York Times Service

Bessie Schoenberg, 90, one of America's most influential teachers of dance composition and a mentor to several generations of dancers, died Wednesday at her home in Bronxville, New York.

She first attracted national attention for her dance composition classes at Sarah Lawrence College, where she began teaching in 1938. Her students there included such diverse dancers and choreographers as Lucinda Childs, Meredith Monk, Elizabeth Keen and Carolyn Adams.

Saadallah Wannous, 56, Syria's most famous playwright, died Thursday in Damascus of cancer.

Germans Won't Prosecute Iran Leaders in Kurd Murders

Compiled by Our Staff From Dispatches

KARLSRUHE, Germany — Prosecutors decided Thursday that it was in the "greater public interest" not to take legal action against Iranian leaders judged to have been implicated in the assassination of Kurdish dissidents in Berlin in 1992.

The decision puts Germany on an apparently reconciliatory track with Tehran after a German court ruling in April implicating the Iranian leadership in the killing. The ruling unleashed a diplomatic storm.

Prosecutors did, however, issue arrest warrants for three Iranian secret service officials suspected of taking part in the assassination. They said a warrant issued last year for the Iranian intelligence minister, Ali Fallahiyan, on suspicion of ordering the attack would remain in force.

The court concluded that Iranian political leaders ordered the killing of four Kurdish exiles. But the Federal Prosecutor's Office said it was not clear to what extent these leaders enjoyed immunity under international law. *(AFP, Reuters)*

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INTERNATIONAL

Russians React to NATO Accord With Resignation

By David Hoffman
Washington Post Service

MOSCOW — For several years, Russia's political leaders have been portraying the expansion of the North Atlantic alliance as a dreadful error that would unleash a backlash of nationalist and Communist fervor inside Russia, threatening its transition to democracy and free markets.

They said NATO expansion would revive the arms race, recreate new blocs in Europe and fuel the domestic opposition to President Boris Yeltsin. The Russian president's spokesman, Sergei Yastrzhembsky, said in March that broadening NATO was "the West's biggest strategic mistake since the end of the Cold War."

But the wind went out of all the bluster on Thursday after negotiators hammered out a new document defining the military and political relationship between Russia and an expanded alliance. Russia's political elite shrugged at the news. It sank to the last spot on most evening news broadcasts Thursday night.

Rather, many politicians and analysts here said the deal reflected Russia's weak bargaining position and praised Foreign Minister Yevgeni Primakov for negotiating as much as he could, under the circumstances.

"It's the best possible agreement," said Andrei Piontkovski of the Institute for Strategic Studies here, who had advocated a compromise with the North Atlantic Treaty Organization. "Russians on the street don't care, but the problem was dramatized by the political elite. They felt wounded by the loss of status, a feeling that Russia was being pushed out of Europe. But it's not the case."

"The agreement is a starting point," he added. "It depends very much on Russia to put teeth into the agreement, if we use the opportunity for joint action and peacekeeping. Only Russia may push herself out of Europe."

The agreement calls for NATO to create a permanent council with Russia to discuss a wide array of security and other issues, giving Russia a voice in NATO decisions. The document also expands on pledges NATO had given Russia earlier that it had no intention of deploying nuclear weapons in the new member-states, and that it will use restraint in stationing forces there.

"What can we do? NATO will expand and we lost the opportunity to stop it five or six years ago," said Sergei Markov of the Carnegie Moscow Center. Mr. Yeltsin, he said, successfully "changed the target from the expansion of NATO to specific issues."

Mr. Markov said, "Yeltsin can use this agreement to say NATO gave a promise there will be no military expansion, but in fact it was postponed to the future. It's smart for Yeltsin and NATO. They are not going to make a military expansion now. They can promise not to do it, now. They can postpone it."

Gennadi Seleznov, a Communist who is speaker of the lower house of Parliament, also lauded the agreement, saying that NATO could go ahead without Russia but the pact showed "Russia is taken into account."

Senate Clears Treaty Change

New York Times Service

WASHINGTON — The Senate has unanimously agreed to amend a 1990 treaty governing conventional forces in Europe to allow Russia to keep more heavy weapons for a longer time near sensitive southern republics such as Chechnya.

The 100-to-0 vote demonstrated the virtually universal support in Washington for altering the agreement, which has led to the destruction or removal of 53,000 nonnuclear weapons in Europe since it took effect five years ago.

The modified treaty does not change the limits on weapons, but it gives Moscow more flexibility to decide where to put them. It also redraws the boundaries of Russia's northern and southern flanks to reflect the breakup of the Soviet Union and gives Russia until May 1999 to cut forces in those areas. The Conventional Armed Forces in Europe Treaty was signed in 1990 by the 22 nations of the North Atlantic Treaty Organization and the Warsaw Pact.

30 Algerians Massacred as Election Nears

Compiled by Our Staff From Dispatches

ALGIERS — A band using knives, hatchets and pickaxes massacred 30 villagers, mostly women and children, early Thursday, the official start of Algeria's campaign for legislative elections.

Security forces quoted by Algerian television said that 17 children, two of them babies, and seven women were among the dead.

No group immediately claimed responsibility for the massacre. A statement by security forces referred to the killers as a "band of criminals," language used to designate Muslim extremists waging an insurgency for the past five years.

Travelers from the region said the band belonged to the Armed Islamic Group, the most radical rebel faction.

The overnight attack occurred in the village of Chebli, halfway between Algiers and Blida, which is 50 kilometers (30 miles) south of the capital. The massacre was the second in the area in just over a month.

Village massacres have become a common form of violence in the insurgency that began after the cancellation of January 1992 legislative elections the Islamic Salvation Front was poised to win. The party, banned two months later, will not take part in the June 5 elections, the first parliamentary vote since 1992.

The 16 million voters can chose from 7,747 candidates for the 380-seat National Assembly.

The leaders among the 39 parties taking part in the voting are the National Democratic Rally, which groups supporters of President Liamine Zeroual, and the Islamist-leaning Movement for a Peaceful Society.

Prime Minister Ahmed Ouyahia, a National Democratic Rally candidate, toured the Algiers Casbah on Thursday — the first visit by a head of government in five years to the Muslim rebel stronghold, residents said. *(AP, Reuters)*

Sergei Supinski/Agence France-Presse

Protesters outside the presidential palace in Kiev at an anti-NATO rally organized Thursday by Ukrainian parties opposed to President Leonid Kuchma. Mr. Kuchma is in Washington, where he is to see Bill Clinton.

Palestinian Held in Killing of Land Dealer

By Joel Greenberg
New York Times Service

JERUSALEM — The Israeli police said Thursday that they were holding a Palestinian police officer on suspicion of involvement in the killing of an Arab real-estate dealer accused of selling land to Jews.

An Israeli court here ordered the man and a woman to be detained in the murder of the dealer, Farid Bashiti, 70, whose bludgeoned and bound body was found May 9 in the Palestinian-ruled town of Ramallah in the West Bank.

A spokesman for the Jerusalem police identified the male suspect as Nasser Anani, an officer in the Ramallah police. The woman was identified as Nadia Dabash, 33, a real-estate agent from Jerusalem.

Palestinians said that Mr. Anani, 36, was a lawyer employed by the Ramallah police.

Mr. Bashiti's body was found hours after he met Miss Dabash at a Jerusalem hotel for what his relatives said was a business matter. Israeli security officials said they suspected Mr. Bashiti was lured to Ramallah, where he was killed by Palestinian security men.

"The investigation points in the direction of involvement in one form or another of the Palestinian Authority," said the chief of the Jerusalem police, Yair Yitzhaki.

Palestinian security officials have denied any connection to the slaying.

The killing came several days after the Palestinian Authority announced that it would impose death sentences on Arabs convicted of selling land to Jews.

"Apparently the order led to the killing," Prime Minister Benjamin Netanyahu said Thursday. "We protest this vehemently."

Meanwhile, Dennis Ross, the U.S special envoy to the Middle East, has been meeting this week with Israeli and Palestinian leaders to try and restart peace talks, so far without success.

NATO: *Is Expansion Really a Good Idea?*

Continued from Page 1

and Slovenia, pressing for admission at the same time, will probably be told to wait. Then, probably next year, the new arrangement will have to be ratified by the 16 NATO members and the new candidates. Turkey has already suggested that it may refuse, but that is viewed by other allies as merely a bargaining position.

But gaining ratification by the United States, where two-thirds of the U.S. Senate must approve of the expansion, may not be easy, given widespread skepticism about making new U.S. commitments in an area where the national interest is not clear to many and the payoff is not evident.

"This is no easy sell," said Senator Richard Lugar, Republican of Indiana, on whom the administration is counting to lead the fight for Senate approval.

The expansion of NATO will commit the United States and the other members of the alliance to fight, if need be, for Prague and Budapest precisely as they are now committed to defending Berlin and Paris. That obligation is laid out in Article 5 of the North Atlantic Charter, signed in 1949.

Expansion has given pause to leaders in several Western capitals; several years ago, Douglas Hurd, then the British foreign secretary, said that he thought any U.S. president or British prime minister would be "most reluctant to send their boys to die for Warsaw or Bratislava."

Within the foreign-policy community, the debate has been intensifying in recent weeks, but the exchanges have been polite and curiously muted. They make it plain, nonetheless, that many consider this a perilous gamble.

Underlying the gamble is the conviction — publicly voiced by former Secretary of State Henry Kissinger and unspoken but deeply held by the main shapers of foreign policy in Washington — that Russia might someday threaten Central and Eastern Europe again and that now is the moment, when Russia is weak, to extend Western protection to potential targets.

Doing so, the U.S. administration says, will have important side benefits as well, including the encouragement of reform in East Europe and the discouragement of regional disputes.

But many are not convinced.

"Something of the highest importance is at stake here," wrote George Kennan, the retired diplomat and Russian scholar, arguing that expansion "would be the most fateful error of American policy in the whole post-Cold War era."

Mr. Kennan said NATO expansion was likely to inflame "nationalistic, anti-Western and militaristic tendencies in Russian opinion," hinder the development of Russian democracy, restore the atmosphere of the Cold War to East-West relations and move Russian foreign policy in directions that Washington would not like.

Another man who has spent his life studying and writing about Russia, Deputy Secretary of State Strobe Talbott, has been one of the main advocates of the new policy. He has argued that Russia has nothing to fear from a bigger NATO, although he readily acknowledges that many Russians have yet to be persuaded that this is the case.

"By expanding NATO but linking Russia to it," he said the other day in an interview, "we are trying to avoid the errors that were made at the end of World War I and the end of World War II: not punitive like Versailles, not permissive like Yalta."

Russia's agreement Wednesday to a formal relationship with the new NATO-to-be, a White House official said, "is proof in itself, along with the renewed strength of the reformers in Moscow, that this isn't destabilizing Boris Yeltsin."

U.S. policymakers argue that not expanding NATO would have, as one senior State Department official put it, "catastrophic effects" in Central and Eastern Europe by implying that countries such as Hungary and Poland were consigned permanently to be buffers between Germany and Russia.

The policymakers also insist that countries such as Slovenia have been prompted by the possibility of NATO membership to accelerate their commitment to democracy (although Slovakia, just as eager for membership, has felt no such incentive).

They also argue that Hungary and Romania have begun to put aside old animosity in the hope of winning NATO's backing, just as Germany and France were able to abandon their mutual hostility in NATO's early days.

But critics such as Michael Mandelbaum, an adviser to Mr. Clinton during the 1992 election campaign and now a professor at Johns Hopkins, see the agreement as a bad bargain from almost every point of view. The three countries most likely to be admitted, Mr. Mandelbaum argued, need no incentives to move toward democracy and are no threat to the stability of the region. Russia, he said, "is not now a threat, and if it became a threat, the countries that it would threaten are not these three but the Baltic states and Ukraine — precisely those that NATO is least likely to admit."

FLUSH: *A Hot Seat in Japan*

Continued from Page 1

chemically analyze urine. Already selling well are toilets that clean themselves, that have coatings that resist germs and that spray pulsating water to massage your backside.

The toilets basically look like standard American models except for the control pad, which sometimes comes with a digital clock to tell you how long you have been in the bathroom. Some of the buttons control the temperature of the water squirted onto your backside.

The bottom-washer function, combined with the bottom blow-dryer, is designed to do away with the need for toilet tissue. Other buttons automatically open and close the lid — the button for men lifts lid and seat, while the button for women lifts the lid only. Some toilets even have a hand-held remote control.

Many foreigners say that once you get used to these toilets — which cost $2,000 to $4,000 — it is hard to do without them, especially the automatic seat warmer.

Harry Sweeney, an Irishman who raises horses on the cold northern island of Hokkaido, said he knew a man who drove two and a half kilometers out of his way each morning to use a public toilet with a heated seat. "It gets very cold up here in the winter," Mr. Sweeney said, "so those heated seats aren't a luxury; they're a necessity."

But some people never get the hang of it — they are panicked, trapped in stalls, unable to figure out how to flush. Worse, they find themselves stranded on the toilet, unsure how to shut off the spraying bidet and unable to get up without soaking themselves and the bathroom.

Hubert Igabille, a salesclerk in nearby Aoyama, said he thought the computerized toilet in his shop needed a bilingual panel. Some customers take one look at the Japanese characters on the control panel and decide to skip it, he said.

Mr. Igabille sees the bathroom gadgetry as a logical extension of high-tech Japan, where airport vacuums whiz around without human help, many cars are equipped with digital displays that use satellite technology to plot the driver's exact location, and researchers are planning to use cockroaches fitted with miniature cameras to inspect sewer pipes.

Toto sells about $400 million of high-tech Washlet toilets a year, and it estimates that it has only half the market here. It has expanded that market with the Travel Washlet, a portable hand-held bottom-washer.

Going on a trip where they might not have top-of-the-line toilets? No problem: Just fill your Travel Washlet with warm water at home. Then after nature calls on the road, unfold the little squirt-nozzle and wash your behind just like at home. At $100 each, Toto has sold 180,000 of these gizmos in two years.

Toto now wants a piece of the U.S. market, so it is starting with a less expensive, less complicated model.

The U.S. Toto is a $600 seat, lid and control panel that attaches to a regular American toilet bowl.

It features a heated seat, the bottom-washer and a fan that "breaks down odorous molecules and returns clean air into the bathroom environment," according to a Toto brochure.

Toto has gone to great lengths to make its toilets, bathtubs and other products user-friendly. Thousands of people have collected data on the best features of a toilet, and at the company's "human engineering laboratory," volunteers sit in a Toto bathtub with electrodes strapped to their skull, to measure brain waves and "the effects of bathing on the human body."

A Toto spokesman, Yojiro Watanabe, said the toilets were popular because they made the bathroom a place where people wanted to relax.

GERMANY: *Budget Crisis Grows*

Continued from Page 1

Germany meet a separate Maastricht criteria on overall debt, which Germany is set to overshoot this year.

"Helplessness" was how the newspaper Die Welt described the government's apparent disarray and desperation in its efforts to control deficits. Commentators and analysts berated Bonn on Thursday for a related disclosure that it planned to push up the sale of additional shares in Deutsche Telekom AG as another painless way to raise funds without having to cut spending or raise taxes. Germans criticized France last year for using pensions from France Telecom to lower its deficit.

The events reaffirm the impression that the government has been unclear up to the last minute on what course of action to take to meet the critical deficit target for a single currency. Monetary union has threatened a number of big-ticket prestige projects in Germany, including paying for a new Eurofighter jet. It has also delayed the move of the national capital to Berlin.

"Leaving aside all the technicalities, the psychological message is not good," said David Marsch, head of European strategy at Robert Fleming, an investment bank. "Such measures do not seem sustainable, and they risk encouraging other counties to make use of technical loopholes."

Another analyst said, "This is going to enrage the conservative people in Germany because to them it looks like stealing the family silver for a project they don't want to get into anyway."

Revalued gold, sales of Bonn's Telekom shares and a government budget freeze are all possible stop-gap measures under frenzied discussion in Bonn to plug the budget gaps. Mr. Waigel was expected to signal a fresh round of spending cuts at a meeting of coalition deputies Thursday evening.

Appearing late Thursday at a press briefing in Bonn, Mr. Waigel confirmed that he wants the Bundesbank to revalue its gold holdings, but he declined to comment on reports in two German newspapers and a German news agency that the book profits would flow into his coffers.

Later in the day, Mr. Waigel emphasized that such a revaluation eventually would be necessary prior to the start of monetary union, because the Bundesbank and other European central banks need to appraise their reserves before they transfer them to a proposed pan-European central bank.

Mr. Waigel said Germany would meet the single-currency criteria despite the tax shortfall. But private economists voiced doubts that Germany can hold its 1997 deficit to 3.0 percent of national income.

Juergen Schwarz/Reuters

Mr. Waigel in Bonn on Thursday discussing the idea of increasing the assessed value of Germany's gold.

"It indicates to me that we are on course for a modest overshoot of 3.0 percent requirement," said Holger Schmieding, an economist in Frankfurt for Merrill Lynch.

"Consequently we likely will start monetary union with a somewhat soft interpretation of the criteria. And that leaves Germany without any very good arguments to keep Italy out if Italy also has a deficit over 3 percent."

Based on Bonn's fiscal plight, Merrill Lynch recently raised the likelihood of Italy's joining the initial launching of monetary union to a 66 percent chance.

FRANCE: *Flirting With Economic Taboos*

Continued from Page 1

But in many ways France is. It has not been through the Reaganite or Thatcherite reforms that, in the wake of economic change, moved President Bill Clinton's Democrats and Tony Blair's Labour Party toward the center. Nor, like the Netherlands and even Italy, has it put pragmatic reform of the welfare state before paralyzing ideological clashes. Its economy has sagged and unemployment risen steadily to 12.8 percent.

"The French people see increasingly that they are faced by choice between a right-wing government they do not like, and a Socialist opposition whose program they simply do not believe in," said Alain Touraine, a political scientist. "How can the Socialists support a free-market Europe and defend a bloated state at home? It is this that explains that a government whose popularity rating has hovered around 30 percent seems set to win rather than suffer a landslide defeat to the left."

The Socialist Party program calls for a reduction of the working week to 35 hours from 39 without any loss of salary, and the creation of 350,000 new jobs in the state sector. It equates the pressures of the global economy with a return to the cruelty of 19th-century capitalism. "When people are fired, the stock market rises: that is the logic of this capitalism," it says.

The position is clear enough. Yet, since Mr. Chirac abruptly announced the dissolution of Parliament three weeks ago and set the two-round election for May 25 and June 1, the point of the vote has tended to remain obscure. Having spoken of critical choices to justify calling the election one year early, the president and his prime minister, Alain Juppe, veered toward language so guarded that the choices seemed deliberately obscured.

Mr. Chirac's references to private initiative were invariably balanced by calls for solidarity. Allusions to Europe and the planned introduction of a common currency, the euro, in 1999, were dropped, apparently out of concern that the euro had become synonymous with fiscal austerity and reform of the state.

Only this week has such guardedness started to fall away. Mr. Monory's statement was, in French terms, extraordinary. "I do not believe in the minimum wage in France," he said. "What is better? I am going to shock you, but is it better to have one million unemployed young people or pay someone 4,500 francs a month instead of 6,000 francs?"

The current gross minimum wage is 6,406 francs, or $1,133 a month.

Mr. Seguin, never previously known as a free marketeer, followed up by declaring that, "If we have chosen a free-market system, it is because we believe that it is the economic system that best guarantees innovation and creativity."

The electoral debate remains curiously muted. Over half of French people say the election leaves them indifferent and their hesitations make the result unpredictable. But Mr. Chirac seems to be moving toward the conclusion that the right can say what it believes and still win.

HONG KONG: *Legislators Broach Using Territory's Ample Funds to Develop China*

Continued from Page 1

The idea of Hong Kong investment helping to develop southern China is not a new one. The difference this time is that Hong Kong's public funds are being suggested as a means to build up Chinese territory, which would be governed solely by Chinese law.

There is plenty of government money at stake. The Hong Kong Monetary Authority already manages more than $69 billion in foreign exchange reserves, and after July 1 it will also be in charge of the $21.9 billion Land Fund, which contains the government's share of revenues from the lease of land to private developers. When a Hong Kong budget is debated, the question is not whether there will be a surplus, but rather how big it will be.

The other issue is, would building suburbs in China violate the Basic Law, the mini-constitution Beijing has drawn up to govern Hong Kong for the next 50 years?

Article 106 of the Basic Law promises independent finances for the Special Administrative Region, as Hong Kong will be known after the transition. "The Hong Kong SAR shall use its financial revenues exclusively for its own purposes, and they shall not be handed over to the Central People's Government," the document says.

That sounds as if Hong Kong money going into China is against the rules. "I don't think it was ever intended for whatever reason for Hong Kong to use government funds to develop southern China," said Nihal Jayawickrama, who teaches law at Hong Kong University.

Mr. Tang, who is a member of the present legislature, said he had discussed his proposed development zone with the Chinese authorities in the neighboring special economic zone of Shenzhen.

His plan, which he said was still in the preliminary stage of consideration, calls for building stores, welfare centers, schools and hospitals all to Hong Kong standards, with private Hong Kong money and the participation of the Hong Kong government's Housing Authority.

Mr. Tang dismissed the idea that such an arrangement would violate the Basic Law. "It's not against the Basic Law because it's a business deal," he said. "Besides, it's efficient because the land there is cheaper."

An independent legislator, Christine Loh, who has in the past voted with pro-democracy parties, has supported the use of Hong Kong funds and investment expertise to develop southern China.

"I go further than Henry and Rita," said Miss Loh, who has just launched a pro-democracy, environmentalist party. "I would even like to start looking at the possibility for Hong Kong to assist southern China, to help to build first world mass transport infrastructure that is efficient and environmentally friendly."

But on the question of financing, Miss Loh remains vague.

"We can use the model of the Mass Transit Railway Corp.," she said, referring to the Hong Kong public-transport agency. "Why shouldn't we look at it from the point of view of joint Hong Kong-Guangdong borrowing?"

One reason may be that according to Standard & Poor's Corp., Hong Kong's credit rating is three notches higher than China's. On Wednesday, the U.S. credit-rating agency raised both its Hong Kong and China sovereign debt ratings.

Moody's Investors Service rates Hong Kong and China the same.

Talk of cooperative development came as news to a leading pro-democracy legislator, Emily Lau.

"Anything that could be interpreted as diverting Hong Kong funds into the mainland or anywhere else would have to be looked at very carefully," she said.

Hong Kong's public money, Miss Lau said, "is something we have to guard very jealously. That clause of the Basic Law was put in out of fear that China would take our money."

Aura of

By James Rupert
Washington Post Service

LUBUMBASHI, Zaire — [illegible] fractious country, where politics has been warped by decades of [illegible] repression and exploitation. It is difficult to see who might have real political support and authority. The [illegible] for Zaire, many analysts say, is [illegible] probably no one really does.

But you would not guess that by hanging around the headquarters of the rebel leader, Laurent Kabila. Here in the city that Mr. Kabila has made his base, the aura of power already has descended. Suddenly, Mr. Kabila is The Man.

Less than a year ago, Mr. Kabila was an obscure dissident — an angry young man grown old and ignored. But seven months after he set out to topple President Mobutu Sese Seko, with his forces now apparently within range of capturing Zaire's capital, Mr. Kabila has advisers, assistants and hangers-on — enough of them that he also has diplomats and journalists trying to figure out who's in his inner circle. Increasingly, his visitors arrive by [illegible], bearing messages from foreign governments.

For weeks, excitement has gripped Lubumbashi amid a belief that, in a vast land of natural wealth, power has [illegible] to Mr. Kabila and those around him. That excitement, and the [illegible]

BRIEF

World Atomic Body [illegible] To Give Inspectors

WASHINGTON — Five years after Iraq's clandestine nuclear weapons weaknesses in the international [illegible] United States and more than 60 [illegible] agreed on new rules aimed at [illegible] information and access to more [illegible]

The 35-member board of directors of the Atomic Energy Agency met Thursday on the issue. The board, the IAEA's [illegible] to vote Friday to adopt the reforms.

According to a cable describing the [illegible] U.S. diplomatic missions abroad by [illegible] Peter Tarnoff, "this will represent a major [illegible] providing the IAEA with the access and [illegible] needs if it is to provide credible assurance [illegible] undeclared or clandestine nuclear activities."

U.S.-Japan Call for [illegible]

GENEVA — The United States and Japan, [illegible] 61-nation Conference on Disarmament [illegible] on banning land mines around the world.

"Land mines are wiping out [illegible] cities, a few persons at a time," John [illegible], disarmament ambassador, told the conference's summer session. The conference, the only [illegible] forum for arms control treaties.

The Japanese delegate, Hisaru Kawahara, talks going for a ban was "an urgent [illegible]

Mr. Holum and Mrs. Kurokochi also said the world was ripe for discussions on a move to ban fissile material — plutonium and highly enriched uranium — used to make nuclear weapons. Mrs. Kurokochi said Japan would like to see the "conference on disarmament" [illegible] mechanism on nuclear disarmament.

Lima Police Station [illegible]

LIMA — A car bomb that police say was set off by Shining Path guerrillas ripped through a police station Thursday, wounding 25 people, including [illegible] officers.

Television images showed police cut by flying glass being helped away at the site in Ate-Vitarte, a working-class suburb in eastern Lima.

Interior Minister Cesar Saucedo said three [illegible] involved in the attack. Guerrillas in one car [illegible] police guarding the municipal offices, while [illegible] carrying the bomb parked in front of the building. The car carried away the attackers.

It was the first major guerrilla attack in [illegible] Tupac Amaru rebels took hostages at the Japanese ambassador's residence on Dec. 17, holding [illegible] days before commandos rescued them.

SPACE: *Now a Joint Ven[illegible]*

Continued from Page 1

have raised questions about the increased U.S. role here. Russia has much to offer foreign partners willing to take risks: With 25 years' experience operating manned space stations, for example, its scientists have expertise and equipment that could take the United States years and billions of dollars to duplicate.

"We must work together," said General Alexei Leonov, who was the first person to walk in space. "We'll spend less using our mutual experience. It's very beneficial for the Americans. You don't need to invent the bicycle again, do you?"

At the heart of the cooperative effort is the planet's biggest space project: the International Space Station, now under construction in the United States and Russia. The [illegible] units of the station are scheduled for launch next year, with the station due to be fully operational by 2002.

But to the dismay of space scientists around the globe, the fiscal crisis that has gripped Russia is jeopardizing the station and the future of the country's space program.

The failure of the Russian government to deliver the promised funds has forced designers to announce an eight-month delay in the completion of the station's crucial service module. The unit, awaiting completion at a factory in Moscow, is the one segment of the station that was to be financed entirely by Russia.

U.S. National Aeronautics and Space Administration officials are concerned there could be a further slippage in the schedule. Congress will decide this summer whether to spend an additional $60 million to build a backup module that could be launched temporarily in the station.

In the U.S. Congress, the setback has prompted some to question Russia's role in the project and whether the struggling nation will be able to fulfill its 1993 pledge to help build the station. Some members of Congress have renewed efforts to withdraw from the program, contending that it will become a financial hole.

The orbiting station, almost as big as two football fields, will cost at least $40 billion for its 15-year life, which also includes Canada, Japan, Britain, Italy, Belgium and Germany. Flying at an altitude of almost 220 miles (350 kilometers) above the Earth, it will be able to house six astronauts at a time and provide [illegible] laboratories.

At the Khrunichev Center, the former secret assembly complex in Moscow, two of the station's first four modules are under construction.

The station's centerpiece, the first module scheduled for launch, is being built in Russia, with U.S. funds and Boeing's management. Following completion, it will be the final testing stage.

Aura of Power Envelops Kabila

By James Rupert
Washington Post Service

LUBUMBASHI, Zaire — In this fractious country, where politics has been warped by decades of systematic repression and exploitation, it is difficult to see who might have real political support and authority. The danger for Zaire, many analysts say, is that probably no one really does.

But you would not guess that by hanging around the headquarters of the rebel leader, Laurent Kabila. Here in the city that Mr. Kabila has made his base, the aura of power already has descended. Suddenly, Mr. Kabila is The Man.

Less than a year ago, Mr. Kabila was an obscure dissident — an angry young man grown old and ignored. But seven months after he set out to topple President Mobutu Sese Seko, with his forces now apparently within range of capturing Zaire's capital, Mr. Kabila has advisers, assistants and hangers on — enough of them that he also has diplomats and journalists trying to figure out who's in his inner circle. Increasingly, his visitors arrive by executive jet, bearing messages from foreign governments.

For weeks, excitement has grown in Lubumbashi amid a belief that, in a vast land of natural wealth, power has come to Mr. Kabila and those around him.

That excitement, and the wishful thinking that seems to accompany it, reached a fevered climax Tuesday night. The radio station of Mr. Kabila's rebel Alliance of Democratic Forces for the Liberation of the Congo reported, erroneously, that his troops had captured Kinshasa, the capital.

Lubumbashi residents spilled into public squares to cheer. Lines of dancers snaked through the streets. Soldiers fired their guns in celebration, spitting red tracer bullets into the night sky.

At the Karavia Hotel, a fraying former Sheraton near the edge of town, people crowded around a television in the bar, waiting in vain for confirmation of the victory from CNN.

The Karavia has become a sort of marketplace for futures trading in Zairian power and wealth. Many of the alliance's top officials — Zaire's apparent new power elite — either stay there or drop by frequently. As a result, so does anyone seeking access to Mr. Kabila, or a good business contact, or inside information.

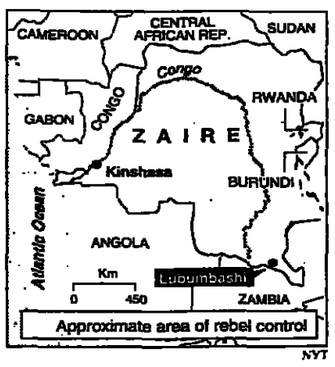
The lobby and restaurant teem with an unlikely mix of people: alliance bureaucrats, rebel soldiers toting assault rifles, relief workers, souvenir hawkers and prostitutes. The bar is often heavy with pilots — Russian, Italian and American — who fly cargo planes for the alliance. Around the pool, diplomats, businessmen and journalists set up satellite telephones to call home offices.

Among those sought after are a handful of young men from the Zairian intellectual diaspora who form the core of Mr. Kabila's administration and will most likely become ministers in an alliance government. Mwana Mawampanga, an economics professor at the University of Kentucky, has returned to become the alliance's commissioner for economics and finance. Bizimia Karaha, a South African-trained doctor, is the rebels' foreign-affairs chief. Kongolo Mwenze, a criminologist from Philadelphia, is their justice commissioner.

When such officials appear in the lobby or at the poolside, people drift in their direction to offer greetings or pull them aside for brief, furtive conversations.

Among those regularly engaging the alliance leaders is Willy Mallants, a gregarious, 70-year-old Belgian who came to what was then the Belgian Congo as a military officer. After independence, he worked for years as a military adviser to Marshal Mobutu and his army before retiring to Belgium.

In February, with Mr. Kabila's rebels starting to pose a serious challenge to Marshal Mobutu, Mr. Mallants came back. Now, he says, he is helping the alliance set up contacts with foreign business executives. Last week, Mr. Mallants helped arrange a visit by mining executives, some of whom said he also appears eager to discuss business deals for himself and his son-in-law.



While the bureaucracy and formality surrounding Mr. Kabila have ballooned with his military success, he still appears unaccustomed to some aspects of being considered an international figure — notably the close attention from U.S. business leaders and government.

When a group of U.S. and Canadian investors flew in last week, even Mr. Kabila appeared impressed that they were accompanied by a member of Congress, Representative Cynthia McKinney, Democrat of Georgia.

Asked for a few words, Ms. McKinney said she was happy to be here and would work in Washington to help the Congolese people. (Mr. Kabila has vowed to restore Zaire's old name, Congo.)

Mr. Kabila beamed and, for the first time in the meeting, he applauded. At that cue from The Man, so did everyone.

ZAIRE: *Rebels Push to Gates of Kinshasa*

Continued from Page 1

Mobutu to the rebels. South African officials say that Mr. Kabila has been demanding nothing less than the immediate surrender of Marshal Mobutu and his army, while the 66-year-old president has insisted on a cessation of hostilities and the formation of a consensus government, after which, he says, he will resign.

Reflecting the increasingly desperate air, Zaire's prime minister, General Likulia Bolongo, published an "open letter to the French people" in the issue of the Paris daily Le Monde distributed Thursday, which read like a thinly veiled invitation for a last-minute French intervention here. Even in the waning days of his rule, France has been a constant source of diplomatic support for Marshal Mobutu, and has had tense relations with Mr. Kabila's rebels.

On Thursday, smoke could be seen rising from the French Embassy here, in what was reported to be the burning of confidential documents about France's relationship with Marshal Mobutu. During army pillaging in Kinshasa in 1993, France's ambassador was killed when soldiers reportedly burst into the embassy and shot him in his office.

Barring an unexpected breakthrough in their peace efforts, Western diplomats said that Marshal Mobutu's return home had set the stage for an unpredictable military seizure of Kinshasa by the Kabila forces, which foreign military analysts say appears certain to begin within the coming hours.

Almost no one now doubts that Mr. Kabila's forces can quickly take Kinshasa. What remains in deep question, however, is the reaction of Marshal Mobutu and the 2,000 or so highly loyal and well-armed troops of his Special Presidential Division.

Western military analysts and Zairian officers say that the Presidential Guard could follow Marshal Mobutu's orders to mount a final defense of the city, which, if ultimately futile, would bring fighting into the capital as early as Friday, and could set off a repeat of the wildly destructive pillaging by panicked soldiers of other units that Kinshasa has already experienced twice this decade.

A senior Western diplomat painted a picture of Marshal Mobutu, who is in the advanced stages of prostate cancer, as being dangerously out of touch, surrounded in recent days almost exclusively by close family members, and consulting West African marabouts, spiritual advisers with supposedly magical powers.

"There are increasingly persistent stories of him consulting with marabouts, which we know for a fact that he has done in the past," the diplomat said. "The word is that he has been told that you need blood in the streets of Kinshasa to revive you. He has gotten this kind of advice in the past and acted upon it."

BRIEFLY

World Atomic Body Agrees To Give Inspectors More Clout

WASHINGTON — Five years after the discovery of Iraq's clandestine nuclear weapons program exposed weaknesses in the international inspection system, the United States and more than 60 other countries have agreed on new rules aimed at giving inspectors more information and access to more suspected nuclear sites.

The 35-member board of directors of the International Atomic Energy Agency met Thursday in Vienna to discuss the issue. The board, the IAEA's executive arm, is expected to vote Friday to adopt the reforms.

According to a cable describing the agreement sent to U.S. diplomatic missions abroad by Undersecretary of State Peter Tarnoff, "this will represent a major step forward in providing the IAEA with the access and information it needs if it is to provide credible assurance of the absence of undeclared or clandestine nuclear activities." *(AP)*

U.S.-Japan Call for Mine Talks

GENEVA — The United States and Japan urged the 61-nation Conference on Disarmament to get talks started on banning land mines around the world.

"Land mines are wiping out the equivalent of whole cities, a few people at a time," John Holum, the top U.S. disarmament official, told the opening meeting of the summer session of the conference, the world's main forum for arms control treaties.

The Japanese delegate, Hisami Kurokochi, said getting talks going for a ban was "an urgent task."

Mr. Holum and Miss Kurokochi also said another issue was ripe for discussion: a move to ban the production of fissile material — plutonium and highly enriched uranium — used to make nuclear weapons. Miss Kurokochi said Japan would like to see the "establishment of some mechanism on nuclear disarmament." *(AP)*

Lima Police Station Bombed

LIMA — A car bomb that police say was planted by Shining Path guerrillas ripped through a police station Thursday, wounding 25 people, including eight police officers.

Television images showed police cut by broken glass being helped away at the site in Ate-Vitarte, an industrial suburb in eastern Lima.

Interior Minister Cesar Saucedo said three cars were involved in the attack. Guerrillas in one car opened fire on police guarding the municipal offices, while a second car carrying the bomb parked in front of the buildings. A third car carried away the attackers.

It was the first major guerrilla attack in Peru since Tupac Amaru rebels took hostages at the Japanese ambassador's residence on Dec. 17, holding them for 126 days before commandos rescued them. *(AP)*

SPACE: *Now a Joint Venture*

Continued from Page 1

have raised questions about the increased U.S. role here. Russia has much to offer foreign partners willing to take risks: With 25 years' experience operating manned space stations, for example, its scientists have expertise and equipment that could take the United States years and billions of dollars to duplicate.

"We must work together," said General Alexei Leonov, who was the first person to walk in space. "We'll spend less using our mutual experience. It's very beneficial for the Americans. You don't need to invent the bicycle again, do you?"

At the heart of the cooperative effort is the planet's biggest space project: the International Space Station, now under construction in the United States and Russia. The first units of the station are scheduled for launch next year, with the station due to be fully operational by 2002.

But to the dismay of space scientists around the globe, the fiscal crisis that has gripped Russia is jeopardizing the station and the future of the country's space program.

The failure of the Russian government to deliver the promised funds has forced designers to announce an eight-month delay in the completion of the station's crucial service module. The unit, awaiting completion at a factory in Moscow, is the one segment of the station that was to be financed and built entirely by Russia.

U.S. National Aeronautics and Space Administration officials are concerned that there could be even greater slippage in the schedule and will decide this month whether to spend as much as $100 million to build a replacement module that could be used temporarily in assembling the station.

In the U.S. Congress, the setback has prompted critics to question Russia's role in the project and whether the struggling nation will be able to fulfill its 1993 commitment to help build the station. Some members of Congress have renewed efforts to scrap the program, contending it will become a financial black hole.

The orbiting station, almost as big as two football fields, will cost at least $30 billion for its 15 partners, which also include Canada, Japan, Britain, Italy, France and Germany. Floating almost 220 miles (350 kilometers) above the Earth, it will be able to house six astronauts at a time and provide seven laboratories.

At the Khrunichev Space Center, the formerly top-secret assembly complex in Moscow, two of the space station's first four modules are under construction.

The station's energy block, the first module scheduled for launch, is being built by Russia, with U.S. funds and under Boeing's management. Nearing completion, it is now in the final testing stage.

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NATO-Russia Pact

Masking Problems

While America has been occupied by other concerns, President Bill Clinton has set in motion an epochal change in the map of Europe that is now racing toward realization. The change is the eastward expansion of the North Atlantic Treaty Organization, and it picked up momentum Wednesday with completion of an agreement to govern Russia's relationship with the alliance.

But as President Clinton declares the imminent arrival of a new era of peace, unity and democracy in Europe, the American people and the Senate have reason to wonder whether NATO expansion is necessary or wise. They certainly have every right to debate the issue before it is settled.

Fortunately, the constitution anticipated just such a rush to action by the White House and gave the Senate the final word. NATO enlargement will require approval by a two-thirds' majority in the Senate. By the time that vote is taken, some of the shine may have faded from the relentlessly positive picture depicted by expansion supporters in Eastern Europe and the United States.

There is no longer doubt that come July, NATO will offer full membership to Poland, Hungary and the Czech Republic. The last obstacle to that invitation will disappear in Paris on May 27, when Mr. Clinton and President Boris Yeltsin are to sign the newly minted agreement on Russia's role.

But neither the agreement nor NATO's invitation will remove the numerous problems inherent in expansion. Russia's role itself remains very much in doubt despite Wednesday's announcement. At best, the accord merely papers over vitally important disagreements. By masking them, it may end up exacerbating the differences in the future.

For one thing, this particular agreement is not legally binding on NATO and will not require approval by the Senate. Administration officials call it a "political agreement," which is another way of saying the United States and its European allies can ignore it if they feel their security is threatened.

The specific commitments are equally shallow. NATO says it has no plan, no intention and no reason to place nuclear weapons on the territory of new members. That means it can put nuclear weapons there anytime it determines they are needed to deter a threat. NATO also pledges not to station troops permanently in the nations that join, but retains the right to build military installations that can be used by NATO forces in a crisis.

The only real commitment the Russians won was agreement by NATO to consult regularly with Moscow on political and security issues and to work together whenever possible on matters like peacekeeping missions.

Even here, Russia will lack the power to block NATO actions it opposes.

None of this seems likely to assuage Russian concerns that a new dividing line is being drawn across Europe and that this time it will be closer to its doorstep. It remains hard to see how the expansion of a Cold War military alliance will help consolidate democracy and free markets in Russia, which should be the primary concern of Europe and America.

Beyond Russia's unsettled anxieties are potential problems about former Soviet-bloc countries that will not be offered NATO membership anytime soon. The Baltic nations, in particular, are justifiably nervous that they will be slighted. Romania and Bulgaria, hardly the kind of robust democracies Americans might want to defend militarily, already are talking of NATO membership.

After Mr. Clinton welcomed the agreement with Russia with rhetorical flourishes Wednesday afternoon, Secretary of State Madeleine Albright traveled to Capitol Hill to brief members of the Senate. She knows the debate has barely begun.

— THE NEW YORK TIMES.

Tricky Challenges

NATO and Russia reached an agreement Wednesday to cooperate more extensively. The pact, reached after months of painstaking negotiation, sets the stage for a May 27 ceremony in Paris, which both President Bill Clinton and President Boris Yeltsin are expected to attend, along with other government figures from Western Europe and Canada. The development suggests the feasibility of something skeptics have long considered impossible: expanding NATO into Eastern Europe without driving Russia into a self-defeating isolation.

It's worth recalling the rationale behind this effort. When the Soviet Union and its Warsaw Pact collapsed, NATO also was depicted as a Cold War relic. But NATO remains a force for stability, as it has been for five decades. It keeps America anchored to Europe and Germany peacefully anchored to its neighbors. And once you recognize NATO's value, there's no justification for excluding those reborn democracies of Central and Eastern Europe, which the Soviet Union forcibly cordoned off and which now want to resume their rightful places.

Nervousness about Russia, of course, motivates countries such as Poland, Hungary and the Czech Republic; after 50 years of invasion and occupation, Moscow could hardly expect otherwise. But the benefits of NATO enlargement go far beyond that. Already, the desire to join has prompted many countries to seek peaceful settlements of age-old disputes involving borders and ethnic minorities. It has spurred them to establish civilian control over their militaries, guarantee more openness in defense budgets and participate in international peacekeeping missions.

To accomplish enlargement without undercutting Russia's democrats or strengthening its nationalists, who still see NATO as a threat, has been the goal of the past months of diplomacy. Although the text has not been made public and merits close scrutiny, NATO and the Clinton administration apparently have persuaded Russia to join a new consultative council without giving Moscow any power over NATO actions in new member countries or elsewhere. Engagement is in the interest of both Russia and the West, but many politicians in Russia do not see it that way; Mr. Yeltsin deserves credit for not sulking and stalking away, as they would have him do.

It's also important to note that NATO, in Wednesday's agreement, accepted no limitations on future expansion. That means that nations that won't qualify for the first round of enlargement this year, including former Soviet republics such as Ukraine and the three Baltic states, will still be potential NATO applicants. Ensuring their security remains one of the tricky challenges as this process moves forward.

— THE WASHINGTON POST.

A Modest Vegetable

As a vegetable, corn has never had much cachet. It sells cheap, gets fed to hogs and when eaten in its most delicious form — right off the cob — creates a messy spectacle that has long made the American people the butt of jokes by supercilious foreigners. In fact, the only time corn seems to get any respect in the more stylish food circles is when it's mashed beyond recognition and formed into things with exotic names such as polenta, tortillas or tamales (but definitely not grits).

Perhaps that will change with a report out this week from agricultural researchers who have determined that corn may lead the way in developing a defense against insect pests. According to a report from The Associated Press, the researchers found that corn reacts to a caterpillar secretion called volicitin by releasing a chemical of its own that attracts very tiny wasps. The wasps destroy the caterpillars (depositing their eggs in the caterpillar bodies) and thus save the corn. "This is essentially an alliance between the wasp and the plants against herbivorous insects," according to J. H. Tumlinson of the Agricultural Research Service in Gainesville, Florida. As such, it has important implications for protecting other vegetables, with far less use of pesticides.

Corn, unlike more fashionable vegetables, will neither seek nor receive much attention for this accomplishment. Unlike other conquerors, corn has no further territorial claims. It might be a good idea, though, to keep an eye on what the wasps are up to.

— THE WASHINGTON POST.

Don't Believe That Central Bankers Know Best

By James Grant

NEW YORK — Next week, when a Federal Reserve Board committee meets behind closed doors to discuss interest rates, the press will be expectantly crouched by the keyhole.

Is there another kind of governmental planning body whose deliberations inspire even a small charge of electricity, let alone reverence?

The veneration of central banks is the idolatry of the 1990s.

Enjoying ultra-low unemployment in the United States, Americans worship and fall down. Yet — strange to tell — Germans seem to think no less of their own central bank despite record-high unemployment in Germany.

It strains belief that the Fed could, by imposing a single interest rate on an increasingly deregulated financial system, cause a $7.9 trillion economy to move obediently in the desired direction — or keep an $8 trillion stock market from falling out of the sky.

The most trenchant technical criticism of central economic planning was that the planners couldn't know enough to see into the future. The same holds with equal force about central banking.

Yet in this heyday of free markets, central bankers and the currencies they manage have never been more trusted. The stupendous bull market, the apparently endless economic expansion and the historically moderate inflation rate are things of wonder. Well, somebody must have caused them. Somebody, certainly, would be blamed if they went up in smoke.

In America these days, praise or blame seems to fall on one head more than on any other, that of the Fed's chairman, Alan Greenspan.

And so it goes around the world. There is a global bull market in the institution of money management. An "independent" monetary authority has become the intercontinental ideal. Independence, in this context, means liberation not only from gold bullion, which used to anchor the dollar, but also from politics.

Even the politicians are prepared to believe that central bankers know best (or, at the least, that it would be inexpedient to suggest that they don't). Certainly, there are enough central banks: 171 in all, not forgetting those of Tonga, São Tomé and Príncipe, and the Solomon Islands.

When, in its fourth day of existence, Britain's Labour government conferred on the Bank of England a new measure of autonomy in setting British interest rates, it cast its lot with governments around the world. Central banks, the Labourites implied, should be above petty politics. Drinking in the news, the London financial markets surged.

Likewise, the Japanese government is moving to confer a measure of independence on the Bank of Japan. And the nations of a possible European Monetary Union are said to envision a future European central bank along the lines of the fiercely independent German Bundesbank.

There is just one thing wrong with this monolithic consensus about the omniscience and omnipotence of central banks: It is almost certainly wrong.

The only certainty about 20th-century monetary arrangements is their changeableness. No monetary system has lasted much longer than a quarter century. The classical gold standard died in World War I. Its successor, the road-show gold standard (the so-called gold exchange standard), sputtered out during the Depression. A still more free-form gold standard, Bretton Woods, came a cropper in the inflation of the early 1970s. The current pure paper standard — in the Fed's case, a system based on the manipulation of a single interest rate, the federal funds rate — can therefore be considered almost long in the tooth.

Yet it, too, seemed to have no future at all on Aug. 6, 1979, the day Paul Volcker took over the apparently thankless job of leading the Fed. Inflation was then shortening the shelf life of money the world over. By the fall of 1981, long-term United States bonds had to yield 15 percent to find any buyers.

Then, a miracle: The high interest rates set by the Fed brought inflation down. What is largely ignored, however, is that the high rates did not bring about an actual fall in prices. Historically, rising prices had generally been followed by falling ones. In the 1980s, there was no deflation, but rather "disinflation," merely a slower rate of price increases.

The Volcker Fed inherited an inflationary mess, but by 1987, when Mr. Greenspan took over, it bequeathed one of another sort: asset inflation, caused in part by a series of Fed-engineered interest rate reductions in 1986. Mr. Greenspan was faced with a case of overblown prices in the stock market (and in the real estate and art markets) rather than at the checkout counter.

The excesses, which cropped up globally, were most vividly on display in Japan. Falling interest rates and a depreciating dollar (the latter helpfully engineered by the Reagan administration) contributed to one of the zaniest and ultimately most destructive speculative episodes in history. Japan, its banks devastated by bad loans, is still trying to recover.

> ***The new idolatry has already changed the behavior of individuals and corporations in ways that will contribute to the next downturn.***

So is the world. In the 1990s a kind of deflationary undertow tugs at many countries' economies almost eight years after the Japanese crack-up. Central banks, complicit in the asset inflation of the 1980s, are now the not wholly deserving beneficiaries of the disinflation of the 1990s.

To be sure, consumer price inflation is setting new low readings almost everywhere. Before giving unconditional thanks for this blessing, however, we might pause to reflect on its probable future costs.

In central banking, as in so many other human endeavors, underdoing it leads to overdoing it, and vice versa. In Germany, Japan and Switzerland, central banks have pushed interest rates down to record, or near-record, postwar lows. It is telling that these heroic measures — modeled in part on the Fed's efforts — have so far failed to revive their moribund economies.

What central banks can do is manipulate domestic interest rates.

What they can't do is what American entrepreneurs have so often successfully done: create jobs, build software companies, rehabilitate office buildings that should never have been built in the first place.

The suppression of interest rates, of course, can be highly inflationary — both for the prices of financial assets and the reputations of central bankers.

"Remember the glut of Japanese bank money that swept the world in the 1980s and led to the staggering bad loan problem that now hobbles the nation's banks?" The Wall Street Journal asked the other day. "Well, the Japanese banks are at it again — this time in Asia."

Despite clear signs of a new lending riot, there is no shortage of economists who are prepared to reassure us that the business cycle is dead.

Anything is possible, of course. It seems to me, however, that the new idolatry has already changed the behavior of individuals and corporations in ways that will contribute to the next downturn.

Believing devoutly in central banks, investors have assumed more risk than they would have taken in a more suspicious frame of mind. Seizing on their ability to borrow at low rates, corporations have overspent on capital projects ranging from automobile plants to semiconductor factories. Trusting implicitly in paper money, bankers and bondholders have apparently failed to draw any alarming, or even cautionary, conclusions from the recent plunge in the dollar exchange rate.

Only a Puritan could quarrel with easy credit, sky-high stocks and vintage champagne. But there should be no mistaking these time-honored symptoms of lax monetary policy with the permanent genius of central bankers.

The writer, editor of Grant's Interest Rate Observer, is the author of "The Trouble With Prosperity: The Loss of Fear, the Rise of Speculation and the Risk to American Savings." He contributed this comment to The New York Times.

In the Mideast, the Internecine Wars Are the Ones That Matter

By Thomas L. Friedman

WASHINGTON — On Israel's Independence Day the army chief of staff, Amnon Shahak, was asked by the Yedioth Ahronoth newspaper whether he was more worried about the eroding status of the Israeli Army in the eyes of the Israeli public or by Syria's steady buildup of missiles and chemical weapons.

General Shahak answered: "Neither."

"What really troubles me," he said, "is the dissension within Israeli society, which in recent weeks has gained dangerous momentum.

"I have no doubt that this weakens us a lot. I am referring to the differences between Zionists and non-Zionists, between religious and secular, between Sephardim and Ashkenazim, between left and right. We cannot allow ourselves to let these arguments penetrate into the minds of our youth and affect their motivation."

General Shahak's remarks remind us that the really important wars today involving Israel, Egypt, Jordan, Algeria, Palestine, Turkey and Morocco are the wars inside these countries, not among them. When the Arabs and Israelis were at war, the issue was whether Israel would coexist with the Arabs. On this the Arabs were united against, the Israelis united in favor. But the Arab-Israeli war is over now. The issue today is how Israel will coexist with the Arabs — in an unhappy ceasefire or with real peace and normalization? On this question both Israeli and Arab societies are deeply divided.

In the Arab world, the internal struggle pits on one side those who want to open their societies and link up with the global economy. They view peace with Israel not as a good thing in and of itself, but as a necessary ritual if they want to really attract foreign investment and U.S. assistance to modernize their countries. Against them are arrayed those forces in the Arab world that view modernization as a threat — from bureaucrats who fear they will lose their power to private businessmen, to fundamentalists and intellectuals who fear they will lose their identity to the mixmaster of modernization-Americanization.

This group views peace with Israel as simply the most odious element of modernization.

In Israel there is a similar internal war, in which peace with the Arabs is bound up with how Israel will relate to the world generally. It has grown so sharp that the Israeli philosopher David Hartman now warns about the "new partition of Israel" — between an ultra-Orthodox Israel with its capital in Jerusalem and a secular Israel with its capital in Tel Aviv.

The same ultra-Orthodox forces in Israel that oppose the peace process because they see it as another form of assimilation that will only bring Israel more Pizza Huts, Blockbuster Videos and smut-ridden cable channels are the same ultra-Orthodox who want to pass a law delegitimizing Conservative and Reform Judaism. For the ultra-Orthodox, Pizza Hut, the peace process and Reform Judaism are all the same thing — vehicles that promote assimilation and a loss of Jewish identity.

Tragically, too few U.S. Jews understand this. They think the battle for Jerusalem is with the Arabs. That war is over. Jerusalem will be controlled by the Jews. The real issue is whether Jerusalem will be controlled by Jews who see it as a city of tolerance and pluralism, where every stream of Judaism is treated as legitimate, or whether Jerusalem will be controlled by Jews who want it to be a ghetto that says no to the modern world — the sister city of Tehran.

"The issue in Jerusalem is not simply whether the Arabs are being excluded, it's whether the Jews are being included — whether Israel is building a Jerusalem where all Jews will feel welcome and legitimate," observes the Middle East scholar Stephen P. Cohen.

While American Jews are out buying newspaper ads defending Israel's right to build housing in any Arab district of Jerusalem, they have failed to notice that an increasing number of Israelis don't feel Jerusalem is their spiritual capital anymore. It may be where the government sits, but it is not a place they feel comfortable living in or visiting because of the increasing domination of ultra-Orthodox over the city's life. That's why General Shahak is right. The decisive wars are inside now. Who wins the Jewish-Jewish battle for Jerusalem, and who wins the Arab-Arab battle over modernization, will determine how the Arab-Israeli conflict ends.

The New York Times.

It Might Be Better if the Africans Settled Their Own Accounts

By William Pfaff

PARIS — To understand what is happening now in Zaire it is necessary to know what happened before. The postcolonial power struggle of the 1960s, and certain ethnic and tribal rivalries that antedate the exploration and colonization of the Congo basin and the kingdoms of Rwanda and Burundi, are being re-enacted.

It is possible to interpret events since 1994 as a reconquest of Rwanda and eastern Zaire by those ethnic groups that dominated it when colonialism arrived. The colonial powers found it convenient to patronize traditional rulers and aristocracies, ruling through them.

That ended in Rwanda with a Hutu uprising in 1959 and a UN-sponsored election and referendum in 1961. Democracy confirmed the overturn of traditional order. Hutu ruled. The old order now has been re-established.

The reciprocal massacres by which the struggle has been conducted since 1994 — which the UN says go on, with the wretched Hutu refugees now scattered in the forests of central Zaire the latest victims — would seem attempts by both sides to accomplish what history would describe as the final solution.

The actors in the affair are veterans. President — "Marshal" — Mobutu Sese Seko Kuku Ngbendu Wa Za Banga, born Joseph-Désiré Mobutu in 1930, son of a cook, became a sergeant in the colonial gendarmerie, and then a journalist for a Belgian publication.

When Belgium abandoned the Congo, two anti-colonial activists, Joseph Kasabuvu and Patrice Lumumba, became, respectively, president and prime minister. Joseph-Désiré Mobutu, promoted to colonel, became secretary-general of the presidential council.

In the political struggle that followed between Mr. Lumumba, identified by the United States as a Communist pawn, and Mr. Kasabuvu, Colonel Mobutu astutely profited, finding support from the CIA as America's man in the Congo.

He seized full power in 1965, suspended the constitution and dissolved Parliament. In dealing with subsequent protests he had students shot, arrested union leaders, ended the right to strike, tortured opponents and forbade political parties other than his own.

The Congo — renamed "Zaire" as part of the new dictator's "Africanization" of his country — was a principal source of uranium for U.S. nuclear weapons as well as an immense reserve of other minerals. Mr. Mobutu enriched himself, so that by the 1980s he was plausibly described as possessing a personal fortune equivalent to his country's foreign debt.

The United States as late as 1993 defended Mr. Mobutu against liberal pressures arising from the Zairian National Congress, assembled in 1991 under international influence to draft a new constitution and prepare a transition to democracy. The United States insisted that Mr. Mobutu continue to "share" power, which resulted in his evisceration of the democracy movement.

Laurent-Désiré Kabila, leader of the rebellion in Zaire, was active in the anti-Mobutu uprisings of the early 1960s, when some 100,000 people died. Those had a regional and ethnic character, as does Mr. Kabila's movement today.

Mr. Kabila once called himself a Marxist. A very patient one, he now has his revenge on Mr. Mobutu — thanks to the new Tutsi government in Rwanda, which has sponsored him but from which he now is attempting to detach himself.

America's interest in Zaire was fading in the 1990s as the Cold War wound down, and France, for reasons difficult to comprehend, chose to make itself political and moral guarantor of the status quo in Zaire, as in Rwanda. Its economic interest in Zaire was slight, compared with that of the United States, Belgium or South Africa, and Rwanda is impoverished and without resources.

France's interest seemed chiefly political, to incorporate all the former Belgian colonies into the French-speaking African bloc Paris has led since the 1960s. It was a disastrous decision, which led France to become patron not only of the Mobutu regime but of the Hutu government in Rwanda that carried out the genocidal massacre of Tutsi in 1994.

France's subsequent interventions have been humiliating failures, including its acquiescence in Mr. Mobutu's recruitment of a European mercenary force earlier this year.

Cut out of the diplomatic endgame in Kinshasa, the French now fret about a plot to spread "Anglophone" influence, as if the European language spoken by Africans had serious human consequence, and report with delectation that the U.S. Mineral Fields group — based in Hope, Arkansas, President Bill Clinton's birthplace — has already signed a billion-dollar mineral rights contract with Mr. Kabila.

Someone has certainly financed Mr. Kabila's movement, as someone financed the Tutsi movement that invaded Rwanda, and someone paid for the multinational "Tutsi Legion," trained and logistically supported by Uganda, which according to the newspaper Le Monde has backed Mr. Kabila's conquest of eastern and central Zaire.

But no outside force is now in control. The Tutsi in Rwanda, the triumphant Mr. Kabila in Zaire and the dying Marshal Mobutu are none of them doing what they are told. Mr. Mobutu refuses to yield. Mr. Kabila rejects mediation or compromise. South African and American diplomatic intervention has been rebuffed.

The Africans are in control of this tragedy. It is a bad and savage tragedy, without catharsis — like Shakespeare's Titus Andronicus.

But after the murderous cynicism with which they have been treated by Americans, Belgians and French, who can say now that Africans should not settle their own accounts?

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: The Tiniest Dog

CHICAGO — The smallest dog in the world, Chico by name, is honoring Chicago with its presence. The miniature canine came to town with the "Parlor Match" company, now playing at the Great Northern Theatre, and is the property and pet of Anna Held. Chico weighs sixteen ounces and is small enough to be caught in a mousetrap. He is a blue-tan Mexican dog, bald as a broom handle, and keeps the Parlor Match people busy looking for him when he roams into dark corners of the stage.

1922: A Chess Upset

An unexpected and decisive victory by M. Pape was the feature of the chess match held in the Paris "Excelsior", in which Senor Jose Capablanca, chess champion of the world, met forty of the strongest players in a simultaneous match. The Cuban wizard crumpled the defence of most of his opponents in rapid order, but the large audience applauded warmly when Senor Capablanca abandoned to M. Pape.

1947: Startling Figures

LONDON — Britain's Registrar General said tonight [May 15] that the government was startled to discover from 1938-39 statistics, just published, that one-seventh of the nation's expectant mothers in that year were unmarried at the time of conception. "This is a fact referred to as sufficiently startling to be of more than statistical significance," the Registrar commented in the first commentary on the vital statistics published since the war. But, the government added, nearly 70 per cent of the births were regularized by marriage before they occurred.

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OPINION/LETTERS

Partisan Starr Doesn't Fit Independent Counsel Bill

By Richard Cohen

WASHINGTON — Once upon a time, I had a vision of Kenneth Starr: conservative, prudent, wise and passionate about the law. The name alone, Starr, seemed virtually cosmic and, of course, the man was mentioned whenever a vacancy occurred on the Supreme Court. Now, though, all that has changed. When I think of the Whitewater independent counsel, it is a man who even Alfonse D'Amato characterized as partisan. "It's become very politicized," he said last month of the investigation. "People don't have any great confidence in it."

For once, I agree with Mr. D'Amato. Mr. Starr has turned an office that has a tradition of nonpartisanship into what seems an adjunct of the Republican attempt to either get President Bill Clinton or so weaken him that the next president will be a Republican. The independent counsel has continued to contribute money to Republican causes, speak at Republican events and conduct himself as if he were running for office.

Just recently, for instance, he characterized the White House's refusal to turn over certain notes as an "impediment" to his investigation and said White House lawyers were "duty bound" to comply with his subpoena. He made these comments, in what has become typical Starr fashion, in a speech to Arkansas newspaper editors. To my mind, he should have kept his mouth shut and pressed his case in court.

And court — the Supreme Court, in fact — is where this issue is likely to wind up. What Mr. Starr portrays as mere White House petulance involves an important issue of both law and tradition.

The notes in this case were taken at two meetings with Hillary Rodham Clinton. At both, her personal lawyers and government lawyers were present. Because some of the lawyers were on the government payroll, Mr. Starr thinks he is entitled to the notes.

Well, maybe he is. That's not the view, though, of the first federal judge who heard the case nor of the appeals court judge whose two colleagues outvoted him. (On the federal bench, the issue is tied, 2-2.)

And, of course, it was not the view either of that former Rose Law Firm partner, Mrs. Clinton, nor of the White House legal staff. If it were, they would have been more careful about who was present at the two meetings or — as is increasingly the case in Washington — taken no notes at all.

So what we have is a difference of opinion. The route the White House has chosen to take hardly constitutes what might be called an "impediment" — not reason, I think, to complain to the press.

But Mr. Starr's speech was typical for him. Instead of being quiet as the proverbial church mouse, he has proclaimed his commitment to the Republican Party by persisting in partisan causes and, of course, making an occasional speech. In addition, Mr. Starr has continued to practice law.

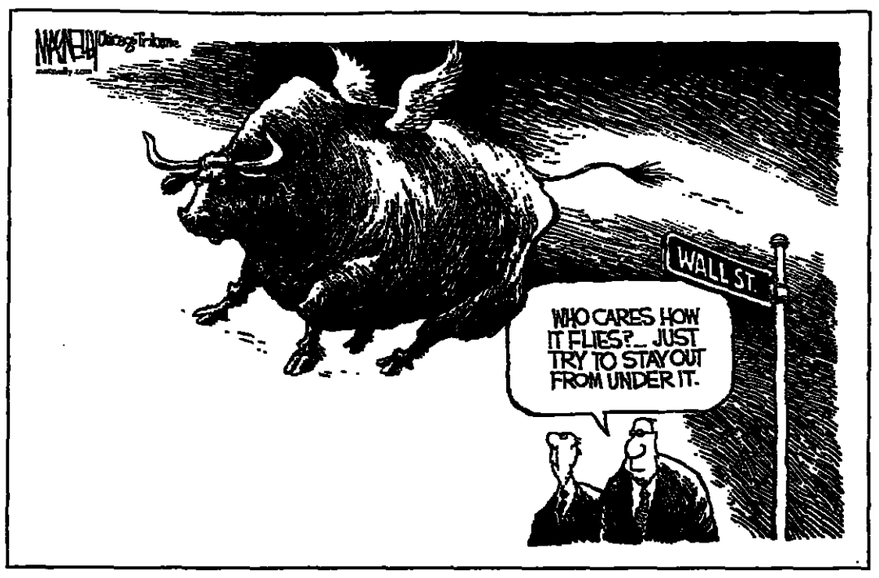
The upshot is that Mr. Starr, who is being paid about $115,000 a year by Uncle Sam, can no longer be viewed as a totally disinterested government lawyer. Instead, he looks like someone with an ideological commitment to a certain outcome. Rather than appearing steadfast and impeccably fair, he has instead seemed a bit flaky and hardly impartial.

Earlier this year, he announced that he would join the faculty of Pepperdine University, a position created in part with money from Richard Mellon Scaife, the Mellon heir and benefactor of right-wing causes. Mr. Scaife gave Pepperdine $1.1 million — and almost everyone else gave Mr. Starr grief. With obvious reluctance, Mr. Starr capitulated and said he would remain as independent counsel.

He should reconsider his reconsideration. He has conducted both himself and his office in a fashion that suggests partisanship and a mind made up. He is, after all, no mere district attorney, some hack with a determination to use his office to gain even higher office, but a still relatively rare independent counsel, charged with the most solemn of all obligations — to determine whether the president or his wife has broken the law. This is no task for some party hack.

If something grievous has been done and either Bill or Hillary Clinton is going to be formally accused of something, then the man bringing those charges must enjoy the respect and confidence of most Americans. Ken Starr was once that man. He no longer is.

The Washington Post.



LETTERS TO THE EDITOR

Lethal Land Sales

Regarding "A Deadly Price for Land?" (May 13) and "Listen to This Palestinian Warning to Palestinians" (Opinion, May 12) by A.M. Rosenthal:

Regardless of the moral and legal arguments for Jews' right to residence in the West Bank, the statement of the Palestinian Authority's justice minister, Freih Abu Medein, on selling land to Jews is redolent of the European medieval church and of Hitler's "Mein Kampf."

How does this latest example of PLO anti-Semitism square with Chairman Yasser Arafat's commitment to the Oslo peace process?

The Palestinian Authority's campaign to eliminate Palestinians on spurious charges of land sales to Jews is incitement in the spirit of the ostensibly nullified Palestinian Charter, which calls for the physical extermination of the Jewish state.

SHIMON SAMUELS.
Paris.

The writer is director for international liaison of the Simon Wiesenthal Center.

I am frankly not surprised or shocked by the Palestinian justice minister's warning that Palestinians who sell land to Israelis will be executed. Over the last century, the Palestinians have seen their land disappear, partly as a result of sales for prices many of them just couldn't refuse, but mainly as the result of outright seizures and European power politics.

For example, the area of Jabal Abu Ghneim in East Jerusalem — which is being built on by Israelis, who call it Har Homa — was originally purchased from Palestinians.

Given the situation of the Palestinians, their backs to the wall and no prospect in sight of a just and fair deal, it comes as no surprise that the Palestinian Authority would resort to such draconian measures.

AHSAN AHMED.
Dhaka, Bangladesh.

U.S. Belligerence

Regarding "What Does Clinton Do if Tehran Proves Guilty?" (Opinion, April 17) by Jim Hoagland:

I was stunned by the arrogant and belligerently dangerous tone of this article.

It seems that in the power vacuum of today's world, America is taking its role as global policeman a bit too far. Whip the Arabs, hit at the weaker nations, close an eye to tyranny in "partner" countries — China or Israel, for example.

The cavalier way that various forms of retaliation were discussed in the article brought to mind America's still-festering resentment of Iran's one-upmanship in the 1979 hostage crisis. The article also never presented any proof of Iranian guilt in the 1996 Khobar Towers bombing in Saudi Arabia. Who has provided evidence of complicity? Such unsubstantiated "proof" probably comes from the frequently bumbling Pentagon, FBI or CIA.

Of course Iran is ruled by a devious, ruthless regime. But American retaliation would not topple it, only unite the nation against foreign intrusion. Has brute force deposed Iraq's Saddam Hussein, Libya's Moammar Gadhafi or Cuba's Castro? It has only deprived and hurt innocent citizens.

N. INGWERSEN.
Geneva.

No Blessing

Regarding "In Minimalist Washington, the Economy Dictates the Politics" (Opinion, May 14) by David S. Broder, and "Clinton Is Making Bush Look Good" (Opinion, May 14) by Maureen Dowd:

Both articles regret the passing of the days when there were more movers and shakers — when times were more interesting. Let us never forget that for the majority of the human race, "May you live in interesting times" is not a blessing but a curse.

JOHN E. RAY.
Paris.

'Progressive Parenting' And the Rise of the Brat

By Bill Maxwell

ST. PETERSBURG, Florida — After the little brat had nearly smashed my laptop computer, I decided that enough was enough.

I was at the airport in Birmingham, Alabama, for a flight to St. Petersburg. The boy, about 6 years old, and his younger sister had been chasing each other around the rows of seats.

Other passengers also seethed in anger as the mother primly sat

MEANWHILE

and adoringly observed her urchins.

"Get away from here," I said after the boy plunged into me, and sent my computer falling to the floor.

Resenting the woman's smugness, I said: "Can't you control your kids?"

She grabbed her luggage, gathered her little darlings and walked to the other side of the waiting area. There, she embraced the boy, kissed him and rubbed his head. Never mind his behavior of a few moments earlier. She treated him like the innocent victim.

Several other passengers complimented me for getting rid of the rowdy duo, which assuaged some of the guilt I was beginning to feel.

But why am I feeling guilty? I asked myself. That mother should feel guilty for having reared such self-absorbed kids.

The fact is that too often, parents let their children act up and make others miserable.

Call me old-fashioned if you like, but I am convinced that America's new way of child-rearing, a trend that the family psychologist John Rosemond calls "progressive parenting," harms more children than it helps.

Under progressive parenting, concocted by mental-health professionals, the goal is to create children who "feel good" about themselves, Mr. Rosemond writes in an article titled "Hurting Youngster's Feelings Isn't Necessarily a Bad Thing."

Mr. Rosemond, who has two adult children and has been married for 27 years, dubs this new approach the "Tower of Parent-Babble" and argues that it has replaced the age "when common sense ruled the rearing of children, [when] parents held children accountable for their behavior."

In the past, he writes, parents knew that in the "real world" a person must act properly many times and over many years before reaping benefits.

Acting badly, however, tends to bring negative consequences immediately.

As a result, parents, along with teachers, generally did not award special praise to children for being good — or normal. Punishment was quick and severe, though, for misbehavior.

"Progressive" parents, on the other hand, go out of their way to make their children feel good about themselves — even to the point of praising failed efforts.

In no way, the litany goes, should children feel bad about

America's new way of child-rearing harms more children than it helps.

themselves or about anything. If parents inadvertently make their kids feel bad, they redeem themselves with lavish praise or gift-giving.

Such extraordinary compensation is harmful, Mr. Rosemond writes.

Children who hurt others should be told that their behavior is bad and should be punished if necessary.

The results of our new child rearing? In Mr. Rosemond's opinion, we have far too many children who "refuse to accept responsibility for their misbehavior, feel they should be rewarded for any work, no matter how mediocre, and are generally self-absorbed and disrespectful."

We parents created the conditions that absolve children of responsibility. Only when we adults return common sense to raising children will we stop producing youngsters who behave as they please — even in crowded public places.

The writer is an editorial writer and columnist for the St. Petersburg Times in St. Petersburg, Florida. This comment was distributed by New York Times Special Features.

Romanian Investment Summit

Bucharest, October 29 & 30, 1997

Romania is increasingly attracting the attention of the international investment community. To assess future investment potential and to highlight the progress Romania is making in its bid to position itself as one of the more exciting investment opportunities in the world, the International Herald Tribune is planning to convene a major investment summit in Bucharest on October 29 & 30.

President Emil Constantinescu will give the opening keynote address of the "Romania Investment Summit." Other speakers will include key members of Romanian government and business as well as business and financial leaders from around the world.

To ensure that you do not miss this very special event, please contact our conference office for further details.

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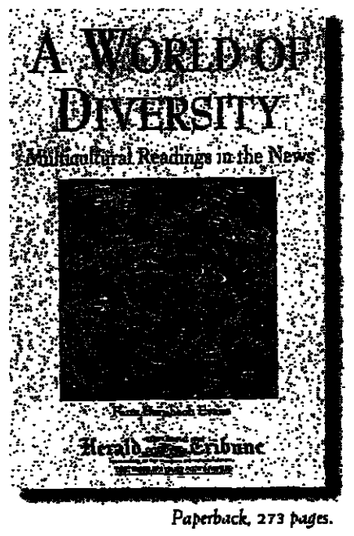

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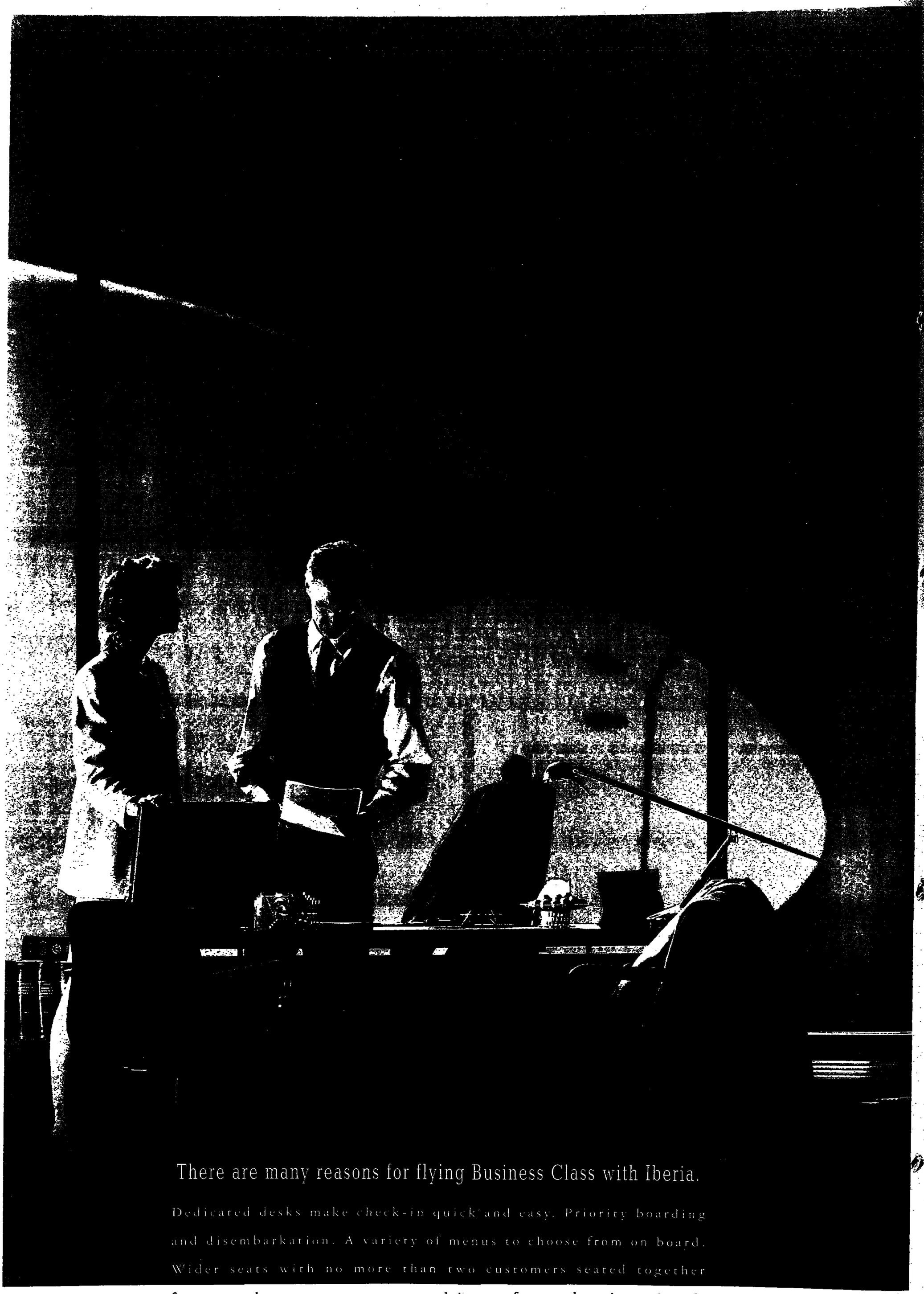

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DINING

'In New
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*An Alsatia
Reinvents*

By Patricia

NEW YORK — that's like a pa jacket: finely c tured, subdued more, it makes you appear That's the way the new, Restaurant Jean Georges palette of taupe, ecru and glass and geometric patterns marble and terrazzo floor Limoges china from the nardaud. It is one of the D. Tihany's most successful

New Yorkers are back to the table, and they're loving gerichten's modern approach of cuisines. Like the dining is at once light and substantial em, familiar and surprising setting and the food make you

Open since March, Restau (no hyphen, please) we're changing definitions and desi to eat today. White waiters silver trays and carving joints their demeanor and natural pr they're one on one with the di step above not pejora. And chef served feasts of apprecia names as Bocuse, Haeberlin has clearly determined the out

Following

with judicious dr of such licorice and ginger, as well

His presentation of simple tured, with an unconventional pla paragus adorned with creamy morel mushrooms, tender roun lops are topped with thin slices cauliflower puree from a Sicilian raisin emulsion, made only by a strong enough to stand up to

I loved its meaty tomato sob atop finely sliced fennel and green in a zingy, mustardy dressing; an very modern tomato tartine — a toast topped with a fresh version of which the water pours a mouth of and fenugreek scrod with pea baster fillets of halibut arrive in a pa wine sauce prepared with the Chalon from the Jura.

SUCCULENT SURPRISE But Jean Geo delicious dishes, many from the broiled a rosy and meaty duck breast with — pain onion compote and a marvelous with wi seared foie gras.

The wine list and service are on a par with setting and the food. Some worthy sample here include the 1995 Riesling Saint-Hune from Trimbach and the 1990 Lambrays from Morey Saint-Denis, each at $85. The wine director, Kurt Eckert, has a point of putting some good-value wines list, such as Trimbach's 1994 Riesling J.C. Thevenet's 1995 Saint-Veran Clos du mirage Vieilles Vignes at $33; Denis white Cotes du Rhone Cuvee at $42 and Beaut's Chorey Cotes de Beaune 1994 at

Jean Georges, 1 Central Park West, International Hotel and Tower, New York; tel: 212-299-3900; fax: 212-299- Credit cards: American Express, Visa, Card, Diners Club, Carte Blanche. lunch Monday to Friday, dinner Mon Saturday; $45 four-course lunch menu, $ en-course tasting menu at dinner. A la car to $69, not including service or wine.

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TOMORROW: MONEY

DINING

In New York, Tastefulness Triumphs

An Alsatian Chef Reinvents Classics

By Patricia Wells
International Herald Tribune

NEW YORK — Imagine a dining room that's like a perfectly fitted Armani jacket: finely constructed, well-structured, subdued and sensuous. What's more, it makes you appear rich and successful. That's the way the new, opulent corner room at Restaurant Jean Georges feels, with its cool palette of taupe, ecru and silver, full of etched glass and geometric patterns that move from the marble and terrazzo floor to the silver-and-gray Limoges china from the famed house of Bernardaud. It is one of the restaurant designer Adam D. Tihany's most successful works to date.

New Yorkers are back to dressing up, at least at the table, and they're loving Jean-Georges Vongerichten's modern approach to the most classic of cuisines: Like the dining room, the chef's food is at once light and substantial, classic and modern, familiar and surprising. Best of all, the setting and the food make you eager to return.

Open since March, Restaurant Jean Georges (no hyphen, please, we're modern) signals the changing definitions and desires of how we want to eat today. While waiters waltz about bearing silver trays and carving joints of duck tableside, their demeanor and natural presence let you know they're one on one with the diners, neither a social step above nor below. And though the Alsatian chef served years of apprenticeship under such names as Bocuse, Haeberlin and Outhier, at 40 he has clearly determined his own style.

Following a wild-edibles trend begun in France by chefs Michel Bras and Marc Veyrat, Vongerichten's menu is peppered with wood sorrel and pea shoots, baby arugula blossoms and wild yarrow. Instead of traditional fats to fix flavors he toys with judicious doses of such explosive hits as licorice and ginger, chive as well as truffle oil.

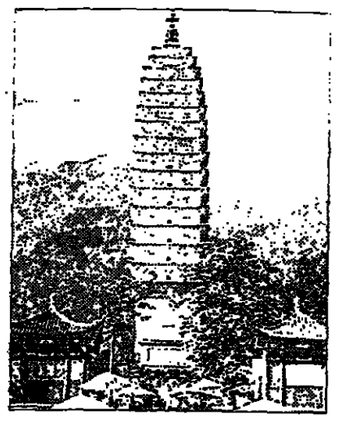
His presentations are simple and well-structured, with an understated plate of green asparagus adorned with a creamy mound of fresh morel mushrooms; delicate rounds of seared scallops are topped with thin slices of caramelized cauliflower, paired with a Sicilian-style caper and raisin emulsion, marred only by a dose of nutmeg strong enough to set off a sneezing fit.

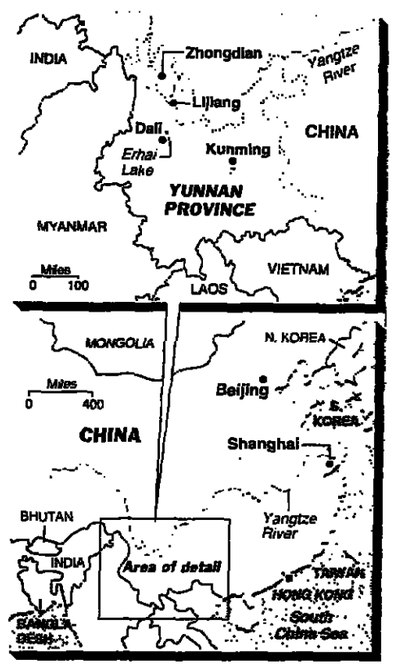
I loved his sweet tempura soft-shell crab, set atop finely sliced fennel and green apple bathed in a zingy, mustard-rich dressing, as well as his very modern lobster tartine — a thick slice of toast topped with a hefty portion of lobster, over which the waiter pours a broth of pumpkin seed and fenugreek sprinkled with pea shoots. Alabaster filets of halibut arrive in a pool of a sweet wine sauce prepared with the rare Chateau Chalon from the Jura.

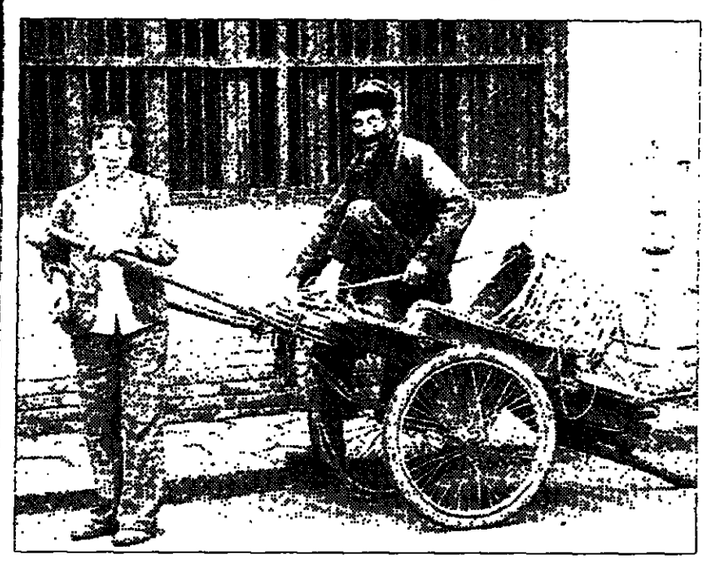
SUCCULENT SURPRISE But Jean Georges' most delicious dish currently is the broiled squab — as rosy and meaty as a rare steak! — paired with an onion compote and corn pancake with a touch of seared foie gras.

The wine list and service are on a par with the setting and the food. Some worthy wines to sample here include the 1986 Riesling Clos Saint-Hune from Trimbach and the 1992 Clos des Lambrays from Morey Saint-Denis, each priced at $85. The wine director, Kurt Eckert, has made a point of putting some good-value wines on the list, such as Trimbach's 1994 Riesling at $30; J. C. Thevenet's 1995 Saint-Veran Clos de l'Ermitage Vieilles Vignes at $33; Denis Alairy's white Cotes du Rhone Cairanne at $42 and Tollot Beaut's Chorey Cotes de Beaune 1994 at $40.

Jean Georges, 1 Central Park West, Trump International Hotel and Tower, New York, New York; tel: 212-299-3900; fax: 212-299-3914. Credit cards: American Express, Visa, MasterCard, Diners Club, Carte Blanche. Open for lunch Monday to Friday, dinner Monday to Saturday. $45 four-course lunch menu, $85 seven-course tasting menu at dinner. A la carte, $51 to $69, not including service or wine.







Clockwise from top left: J. Brum (20), Anne Reffet, Rene Mattes, Anne Reffet/Explorer/New York Times map

Faces and places in Yunnan, China, where the quirks of geography have resulted in sharp cultural divides and in a province which is home to 24 ethnic groups.

The Monks and Matriarchs of Remote Yunnan

By Pete Hessler

DALI, China — I was on the summit of a 10,000-foot (3,000-meter) holy mountain in Yunnan Province, and it was one of those rare moments when the immensity of China was almost tangible. To the north I could see the snow-covered peaks of the Himalayas, rising and falling to the horizon like great uneven waves — a vast rough sea suddenly frozen into silence.

This was my second trip to Yunnan Province in southwestern China; I had returned because it is one of the best places to gain a sense of both the size and the complexity of the country. Yunnan is home to 24 ethnic groups, and it is a province where the quirks of geography — a fast-flowing river, a high mountain ridge — have often resulted in sharp cultural divides.

Standing on the summit, I could barely see the small town of Dali, where I had begun my trip. From the start it had been a journey on the peripheries of China, because Dali is the capital of the Bai minority. The Bai, one of Yunnan's largest and most prosperous minorities, have farmed Dali's fertile fields and fished its neighboring Erhai Lake for more than 3,000 years, and there is a sense that, even under Chinese control, the Bai continue to do many things their own way.

SOUTH OF THE CLOUDS The province name means South of the Clouds, and even in February, when I traveled, I saw mostly sunny skies and daytime temperatures in the 60s Fahrenheit. And the town of Dali itself has a faded beauty that is rare in China, where the hurtling economy has left most places with a drab landscape of modern buildings. Dali's medium is still stone, rather than glass and concrete: there are cobblestone streets, and old stone homesteads with green courtyards, and two ancient city gates are still standing. Behind town three slender pagodas rise high above the plain, the oldest of which was constructed in the ninth century.

But the growing tourism industry has brought changes, and in recent years Dali has developed an avenue of cheap backpacker cafés and shops for tailor-made clothes. And while many travelers go to Dali simply to relax, it is a town that is best used as a base for more interesting excursions — to the outlying Bai villages, or the clear waters of the lake, or the snow-streaked peaks of the Cangshan mountains, which rise without foothills from the northern end of town.

A friend and I decided on a trip south to Jizushan, or Chicken Foot Mountain, a sacred peak named for the clawlike streaks of rock that are scratched across its slopes.

For nearly 13 centuries the mountain has attracted Buddhist pilgrims from across China and Tibet, and the five-hour bus ride to the start of the trek felt like a trip back in time. The road was of cobbled stone, switchbacking through the red clay hills of the Hongshishan mountains, and often we dipped down into deep valleys where the crops glowed green in the dry-season sunshine. There were miles of sugar cane fields — purple stalks with green tops, flashing past in a bright blur.

It took a four-hour trek to reach the top, where the northern mountains were spread before us in the late-afternoon sunshine. We stood in the shadow of the seventh-century Lengyan Pagoda, which rises another 130 feet above the peak's crowning monastery. It was a scene from another age: monks chanting, pilgrims kowtowing, joss sticks smoking from a cauldron in the center of the monastery's courtyard. Above it all, the wind blew hard from the north.

And then it began to snow — a dry swirling snow that drove us all inside the monastery, where simple beds with electric blankets were less than $2 a night. Hours later, awakened by the howling gusts, I stepped out into the courtyard. The snow had stopped and the sky had cleared and above me the Milky Way was spread across the night like a dazzling band of powder, the stars washed bright by the northern wind.

Two days later we caught a bus north to Lijiang. The journey was only 122 miles, but along the way everything changed: Dali's green valley gave way to low red mountains, and at last our bus crossed the high ridge of Tiejiashan. The ridge itself was unimpressive — dry red soil, sparse low trees — but it represented a significant barrier, as it has always been the traditional dividing line between the Bai people and the Naxi, their northern neighbors.

For centuries the Naxi have lived in the mountains of northern Yunnan, and in their isolation created a matriarchal society. Naxi women, who are distinguished by their characteristic black-and-white capes, have traditionally controlled all important aspects of their communities: money, farming, religious rites. Before this century, marriage was never a part of Naxi customs, and women simply took lovers as they pleased. Often children did not know their fathers, because the society was organized into matriarchal clans that held all offspring in common.

These traditions have never sat well with Communist China. In the 1950s, the government set about ending the practice of free love, which they claimed harmed the revolution, and today in the city of Lijiang conventional marriage is the norm. But the community still revolves around the women, and in the remote outlying areas, where the Himalayan landscape is of the sort that resists revolutions, there are villages where the matriarchal system is still intact.

THE BLACK DRAGON POOL

It is a beautiful city for wandering, and often I walked along the banks of the Jade River, its water running clear and cold from the northern mountains. The river pauses briefly in Lijiang's public park, where it gathers in the Black Dragon Pool, bordered by willows and pagodas.

North of Lijiang, as the mountains grew higher and the north wind colder, I began once more to sense the immensity of China. For everything else was shrinking: the road, the bus, the number of travelers. We crossed the Yangtze, known in these parts as the Jinsha, and in the wilderness of Yunnan even the great river looked small, a fragile streak of green twisting between peaks where the snow never melts. We were heading for Zhongdian, a Tibetan village 120 miles away. Soft flurries of snow filtered down from the high peaks, and our minibus, wheezing with the altitude, climbed painfully along a steep dirt track.

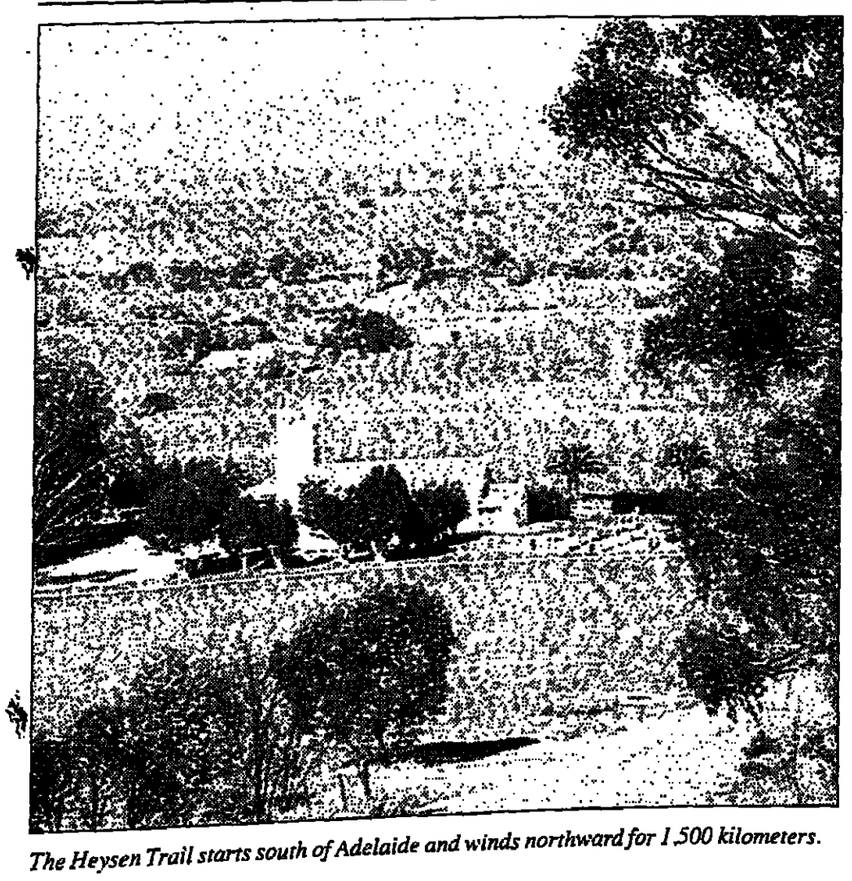
We crossed a high pass, prayer flags fluttering beside the road, and then at about 10,000 feet the mountains gave way to Zhongdian's broad plain.

ZHONGDIAN is the sort of frontier town that feels as if it was built just yesterday and might not last until tomorrow. There is a broad dusty main street, lined on both sides with grit-stained buildings of concrete and glass, and the traffic consists mostly of the north wind roaring straight down the road. We found a $3 hotel room, but something in the town's sense of impermanence made us want to keep moving, and soon we were back outside, walking against the wind. Two miles north of town there was a small Tibetan village and the Gyalthang Soomzenling Lamasery, the biggest in Yunnan. The lamasery was built in the 17th century by the fifth Dalai Lama, and in the past decade the 300 resident monks had worked hard to repair the damage of the Cultural Revolution. It was a beautiful complex — pounded-earth buildings of red and white, pressed against the side of a hill, the dark temples with soaring pillars and vivid murals. But there was nobody inside; the great halls were empty except for the wind that whistled in through the cracks in the walls.

And then we came into a small room where a group of monks in crimson robes were huddled around a coal fire. They greeted us in Chinese, waving us close to the hearth, and then said nothing more.

In a forgotten corner of a huge country it was something to stand warm and still, to feel that the ancient monastery was China's fixed point around which everything else was spinning forward in the busiest nation on earth.

Pete Hessler, who is teaching English in Fuling, China, wrote this for The New York Times.



The Heysen Trail starts south of Adelaide and winds northward for 1,500 kilometers.

Australia Up Close, on the Heysen Trail

By Michael Richardson
International Herald Tribune

BAROSSA VALLEY, Australia — Visitors to Australia flying from Southeast Asia to Sydney, Melbourne or Adelaide on a clear day across the arid heart of the island-continent may well be awed by what they see from the plane's windows.

For several hours they travel over a landscape almost devoid of signs of human habitation. The terrain, eroded into the strange forms and patterns of a giant abstract painting, has been turned by the relentless climate into a palette of surreal colors. Not an ideal location for a leisurely walk, you might think. Yet the coastal margins of Australia, where most of the population lives, provide a kinder, gentler environment than the center.

In fact, Australia has one of the longest continuous walking trails in the world — far longer than the 400-kilometer (250-mile) Pennine Way in Britain although considerably shorter than the 4,000-kilometer Pacific Crest Trail on the west coast of the United States.

Opened in 1993, the Heysen Trail starts at Cape Jervis, south of Adelaide and winds northward across the state of South Australia for about 1,500 kilometers through hills, valleys, forests, vineyards, orchards and farmland to the rugged Flinders Ranges on the edge of the country's dry interior. These ranges, created 600 million years ago when the Earth's forces buckled, folded and squeezed upward what was then part of a great seabed, are among the most beautiful mountain regions in Australia.

Mark Clisby, who has walked the full length of the Heysen Trail, says there is "an intense Australianness about these ranges, which captures the spirit of this continent — jagged peaks, ancient rocks, tranquil gorges, and a sense of timelessness and absolute freedom."

The trail was named after Sir Hans Heysen, a German-born landscape painter whose delicate watercolors caught the magic of the Flinders Ranges and the hills east of Adelaide, where he lived for much of his life. As a painter, he was especially fascinated by eucalyptus, hardy native trees that Australians call gums because the sinuous trunks of some species produce an aromatic resin.

Many visitors miss the opportunity to experience the unique sights, sounds and smells of the Australian bush because they are intimidated by the country's vast distances and its reputation for drought, bush fires and poisonous creatures, such as snakes and spiders.

EASILY ACCESSIBLE

Yet many parts of the Heysen Trail are easily accessible. The track is well marked, regularly maintained and quite safe for casual visitors provided they carry some water, wear hats for sun protection and do not stray from the path.

The South Australian government's Department of Recreation and Sport sells detailed maps of the trail (tel. 61-8-8416-6677; fax: 61-8-8416-6753), advising users of the rules they must observe, including the ban on lighting fires. The Lonely Planet guide to South Australia has a chapter on the trail describing its various sections, the conditions that will be encountered and places to stay and eat.

The Heysen Trail "is for all people, not just elite backpackers," said Terry Lavender, the official who was responsible for overseeing much of its construction. "It's not just a mountain trail, it's a coastal trail, a farmland trail and a vineyard trail."

Two sections that are easy for visitors to Adelaide to reach and offer rewarding walking are in the Mount Lofty Ranges, just a 30-minute drive east of the city, and the Barossa Valley — Australia's best known wine-producing district — a little more than an hour away by road. March and April, and September and October are especially attractive times to visit both these areas and the Flinders Ranges.

Apart from its scenic beauty, the Barossa Valley, settled in the 19th century mainly by Germans and English, has the added attractions of abundant good food, wine and accommodation as well as a renowned music festival each October.

I recently spent several hours walking the Heysen Trail in the hills overlooking the valley, with a diversion on a loop path through the Kaiser Stuhl Conservation Park that connects with the trail at both ends. The park contains one of the last undisturbed areas of native vegetation in the area. Trees, groundcover plants and grasses are interdependent, forming a unique habitat for native birds and animals, including kangaroos.

"Many overseas visitors complain that they haven't seen kangaroos in their natural surroundings when they come to stay with us," said John Gerkens who with his wife, Alicia, offers comfortable bed and breakfast accommodation at their hillside property, Blickinstal, overlooking the Barossa Valley. "I just send them on a walking trip into the park in the early morning or the evening and they usually see dozens."

ARTS GUIDE

AUSTRIA

VIENNA
Judisches Museum, tel: (1) 535-0431, closed Saturdays. To July 13: "Emil Orlik (1870-1932): Prague — Vienna — Berlin." The Prague-born painter, graphic artist and craftsman was influenced by Jugendstil but also won recognition for his portraits.

BRITAIN

BATH
The Royal Photographic Society, tel: (225) 46-28-41, open daily. To June 1: "Peter Lavery: Circus Work." 100 black-and-white photographs that chronicle the dying art of the traveling circus and evoke the contrasting fantasy of the circus ring with the reality of backstage life.

LONDON
British Museum, tel: (171) 323-8525, open daily. To July 13: "Oriental Green Wares: Pottery and Porcelain from the Near and Far East." Chinese green wares have influenced the glazes and shapes of table wares and decorative pottery in many countries for the past 800 years. More than 200 vessels from Eygpt, Iran, Iraq and Southeast Asia are brought together.

FRANCE

PARIS
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. **Continuing/** To July 14: "Paris/Bruxelles — Bruxelles/Paris."
Petit Palais, tel: 01-42-65-12-73, closed Mondays. **Continuing/**To June 22: "Les Francs: Precurseurs de l'Europe." More than 1,000 items document the origins of the Franks, their conflicts with the Roman Empire and the emergence of their kingdom.

GERMANY

FRANKFURT
Stadelsches Kunstinstitut, tel: (69) 605-0980, closed Mondays. To July 13: "Johannes Vermeer: Der Geograph und der Astronom." The exhibition brings together two closely related works, and shows their similarities in size, posture of the character, light and surrounding objects. Also features globes, astrolabs, compasses and maps.

Peter Lavery's circus photographs are in Bath, England.

ITALY

MILAN
Fondazione Prada, tel: (2) 346-70216, closed Mondays. To June 30: "Louise Bourgeois." The sculptor (born 1911) has created new works which, together with a selection of less recent works, make up a new installation. The exhibition revolves around different bodies of works: the Spiders, the Cells — closed or open spaces within which narratives unfold — and Sutures that involve themes connected to thread and weaving.

JAPAN

TOKYO
Tokyo Metropolitan Art Museum, tel: (3) 3823-6921, closed Mondays. To July 13: "Louvre: 18th-Century Paintings." More than 70 paintings by Watteau, Chardin, Boucher and Fragonard.

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. To Aug. 3: "The Nude: Prints, Drawings and Photographs." Throughout the ages artists have been inspired to portray nude figures in varied themes: Biblical scenes, the gods and heroes of antiquity, and finally the nude becoming a subject in its own right. Features works spanning the last 500 years by artists such as Mantegna, Rembrandt, Boucher, Degas, Matisse and modern Dutch artists Toorop and Willink.

PORTUGAL

LISBON
Centro Cultural de Belem, tel: (1) 301-9606, open daily. To Aug. 18: "Paula Rego: Retrospectiva." A selection of realist paintings, collages and etchings created by the Portuguese artist (born 1935) since 1959.

SPAIN

BARCELONA
Fundacion La Caixa, tel: (93) 458-89-05, closed Mondays. To July 27: "Amelia Pelaez, Frida Kahlo, Tarsila do Amaral." More than 70 works by Amelia Pelaez (Cuba, 1896-1968), Frida Kahlo (Mexico, 1910-1954) and Tarsila do Amaral (Brazil, 1886-1973) show how their contacts with European artistic movements, the influence of France and the United States and the discovery of the roots of their own countries, helped shape South American art.

SWITZERLAND

BASEL
Kunstmuseum, tel: (61) 271-0828, closed Mondays. To Aug. 24: "Durer, Holbein, Grunewald: Old Master Drawings of the German Renaissance from Berlin and Basel." More than 150 drawings by the three artists offer insight into German draftsmanship of the 15th and 16th centuries. Also features works by contemporaries such as Wolf Huber, Hans Baldung and Albrecht Altdorfer.

UNITED STATES

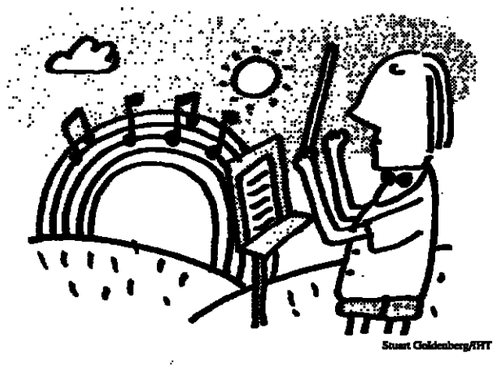
NEW YORK
Museum of Modern Art, tel: (212) 708-9480, closed Wednesdays. To Sept. 2: "Objects of Desire: The Modern Still Life." A survey of 20th-century still life that demonstrates how this traditional genre can be developed and trangressed, and how it reflects changing cultural values and meanings. Features 150 paintings, sculptures, and objects created by more than 70 artists including Picasso and Matisse, the Surrealists, and Pop and contemporary artists such as Christo, Cindy Sherman and Dan Flavin. The exhibition will travel to London in the fall.

CLOSING SOON

May 18: "Video Sculpture in Germany Since 1963." **Hara Museum, Tokyo.**
May 18: "Art from the Imperial Court." **Kyoto National Museum, Kyoto.**
May 18: "Maurice de Vlaminck." **Bunkamura Museum of Art, Tokyo.**
May 18: "The First Emperor: Treasures From Ancient China." **Walters Art Gallery, Baltimore.**
May 18: "Manuel Alvarez Bravo: A Retrospective." **Museum of Modern Art, New York.**
May 18: "Discovering the Italian Baroque: The Denis Mahon Collection." **National Gallery, London.**
May 18: "Material Culture: The Object in British Art of the 1980s and '90s." **Hayward Gallery, London.**
May 18: "Auguste Preault: 1809-1879." **Musee d'Orsay, Paris.**
May 19: "Picasso and the Mediterranean Myth." **Moderna Museet, Stockholm.**

SUMMER FESTIVALS

Today, the Arts Guide lists major music festivals due to start next month in various American and European cities. July festivals will be listed on Friday, June 20.



Stuart Goldenberg/IHT

ALDEBURGH, ENGLAND
50th Festival of Music and the Arts, tel: (1728) 45-35-43. June 13-29. Features premieres of two short operas commissioned from Mark-Anthony Turnage, the English National Opera's composer in association; Kent Nagano conducts the premiere (June 15) of Britten's Double Concerto for Violin and Viola, written in 1932.

ATHENS
Athens Festival, tel: 30 (1) 322-1459, fax: 322-3111. Early June to late September. Symphonic concerts, opera, ballet and ancient drama performances take place in the Odeon of Herodes Atticus built in A.D. 161 and an open-air theatre on Lycabettus Hill.

BAD KISSINGEN, GERMANY
12. Kissinger Sommer Festival, tel: 49 (971) 807-110, fax: 807-191. June 13 to July 13: Mstislav Rostropovich (June 13) , Felicity Lott (July 1), Daniel Barenboim July 12 and 13) at the piano, with various European orchestras, perform symphonies, chamber music and lieder recitals.

BARCELONA
Grec '97, tel: 34(3) 301-7775, fax: 301-6100. June 25 to July 31: Theatrical, musical and choreographic performances take place in the open air and in theaters. Choreographer Wim Vandekeybus presents the world premiere of his latest creation.

DROTTNINGHOLM, SWEDEN
Drottningholm Slottsteater, tel: 46 (8) 660-8225, fax: 665-1473. June 1 to Aug. 24: Productions of Jacopo Peri's "Euridice" (first staged in 1600) and Luigi Rossi's 1647 "Orfeo" using colorful costumes and fireworks that are well suited to this stage built by Gustav III in 1766. The orchestra plays period instruments.

GRANADA, SPAIN
46 Festival Internacional de Musica and Danza de Granada, tel: (958) 22-18-44, fax: 22-06-91, e-mail: granadafestival@tsai.es. The festival pays homage to Brahms, Schubert and Messiaen. Symphonic music is performed in the Emperor Charles V's palace, and dance in the 14th-century Generalife gardens in the Alhambra.

GRAZ, AUSTRIA
Styrian Festival, tel: 43 (316) 825-000, fax: 877-38-36, e-mail:styrarte@mail.styria.co.at. June 21 to July 20: Founded by Nikolaus Harnoncourt in 1985, the 1997 festival is dedicated to Brahms and Schubert. Highlights are performances conducted by Harnoncourt.

ISTANBUL
Istanbul International Festival, tel: 90 (212) 293-3133, fax: 249-5667, http://www.istfest.org. June 15 to July 8: A festival of classical music, ballet, opera and traditional music. Claudio Scimone conducts I Solisti Veniti in a performance of Bertoni's "Orfeo" directed by Pier-Luigi Pizzi. The roster of conductors includes Leonard Slatkin, Wolfgang Sawallisch and Peter Schreier.

MUNICH
Festspiele 1997, tel: 49 (0) 89-21-85-19-21, fax: 85-19-03. More than 40 performances of 15 opera productions plus ballet performances, lieder recitals and concerts: new productions of "Le Nozze di Figaro," and Monteverdi's "Incoronazione di Poppea"; Placido Domingo is Don Jose in a production of "Carmen." Singers include Julia Varady, Montserrat Caballe, Siegfried Jerusalem and Kurt Moll.

RAVENNA
Ravenna Festival, tel: 39 (544) 213-895, fax: 36303, http://www.netgate.it. June 19 to July 26: In different venues, Sir Georg Solti, Georges Pretre, Valeri Gergiev, and Riccardo Mutti conduct orchestras from Europe. In the Teatro Alighieri, Valeri Gergiev conducts "Boris Godunov" in a Maryinsky Theater production and Gary Bertini conducts Verdi's "Attila," directed by Pier Luigi Pizzi.

SANTA FE, NEW MEXICO
Santa Fe Opera Season, tel: (505) 986-5900. June 17 to Aug. 23: Five operas, including the world premiere of Peter Lieberson's "Ashoka's Dream" (July 26); new productions of Strauss's "Arabella" and Handel's "Semele" as well as "La Traviata" and "Cosi Fan Tutte."

ZURICH
Zurcher Festspiele, tel: (41) 1-215-4030, fax: 215-4035. June 28 to July 20: Opera performances include "La Traviata," "Fidelio," "Le Nozze de Figaro," Haydn's "L'Anima del Filosofo" and Handel's "Alcina." Nikolaus Harnoncourt conducts Schubert's "Die Teufels Lustschloss," composed at age 15, and Robert Wilson directs "Lohengrin" as well as Stravinsky's "Oedipus Rex" and Bartok's "Bluebeard's Castle." The festival ends with two ballet evenings choreographed by Zurich's new ballet director Heinz Spoerli.

50TH CANNES FESTIVAL

'L.A. Confidential': Style to Burn

By Janet Maslin
New York Times Service

Lionel Cironneau/The Associated Press

Guy Pearce, Kim Basinger and Russell Crowe at screening of "L.A. Confidential."

CANNES — A week's worth of rain clouds has finally lifted here, and suddenly the films are as hot as the weather. Gangbusters: "L.A. Confidential," a shrewd, elegant film noir set in the moral quicksand of 1950s Los Angeles, with a flawless ensemble cast and style to burn.

Directed by Curtis Hanson and boiled down beautifully from James Ellroy's labyrinthine novel, it's also a rare bird for Cannes: the big Hollywood movie ready to face the crazy, cutthroat atmosphere here and take a chance.

"At first the idea was floated and the studios said forget it," Hanson said. He credits the Cannes spotlight with his first exposure to film makers like Bunuel and Fellini, but at 52, he has never been here before. Risk or no risk, he was looking absolutely delighted.

Hanson, whose "Hand That Rocks the Cradle" and "River Wild" give viewers no preparation for his new film's "Chinatown" polish — though his "Bad Influence" had a hint of its sinister allure — also managed another studio anomaly: a film with three leading men, two of whom are played by virtual Hollywood unknowns (though Kim Basinger and Danny DeVito are also in the cast, to fine effect). Or ex-unknowns: This film ought to do for Russell Crowe and Guy Pearce what "The Usual Suspects" did for Kevin Spacey, who plays the third detective role.

Actually, both those actors have had substantial careers in Australia, and Pearce played a lead in "The Adventures of Priscilla, Queen of the Desert." But Hanson still hasn't seen that. "I frankly didn't want to have my confidence shattered by watching him do a movie in drag," the director said.

Also from Australia, and joining "L.A. Confidential" in the main competition, is a stunner called "The Well," the first feature film directed by Samantha Lang.

TOUGH COMPETITION The prize for the best directorial debut at the awards ceremony Sunday will be especially hard-won in a year of excellent first films, among them Neil LaBute's "In the Company of Men" (a Sundance hit), Gary Oldman's powerfully raw "Nil by Mouth," two well-received films from Norway and Alain Berliner's "Ma Vie en Rose," deft and wildly colorful in its account of a little boy's confusion about his sex.

Berliner fuses tact with the satirical flamboyance of a Pedro Almodovar film. In summoning a poignant yet fanciful tone, he says he had "Edward Scissorhands" in mind.

An especially entertaining first film is Richard Kwiatniowski's "Love and Death on Long Island," which presents the Nabokovian dilemma of a tweedy, erudite English author (played sublimely by John Hurt) who falls desperately in love with a bubble-headed American teenage actor.

Kwiatniowski's film, which takes the writer to a tiny Long Island community, is hardly the only film here to put small-town Americana on the map.

Just over the horizon, in the main competition, is Atom Egoyan's "Sweet Hereafter," from the novel by Russell Banks, about an accident that devastates a close-knit community.

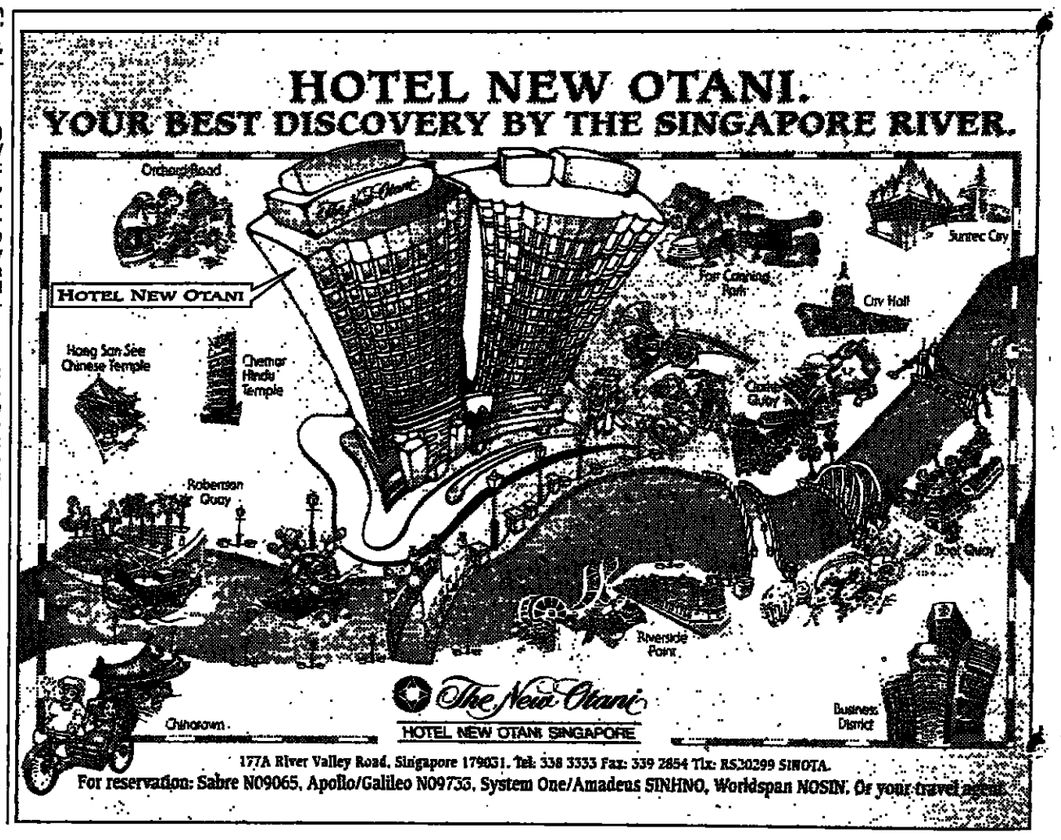
And already well received is "The Ice Storm," a meticulous film set in 1973 in New Canaan, Connecticut, and directed by Ang Lee. He creates as intricate a social and cultural web here as he did in "Sense and Sensibility," despite a vastly different milieu.

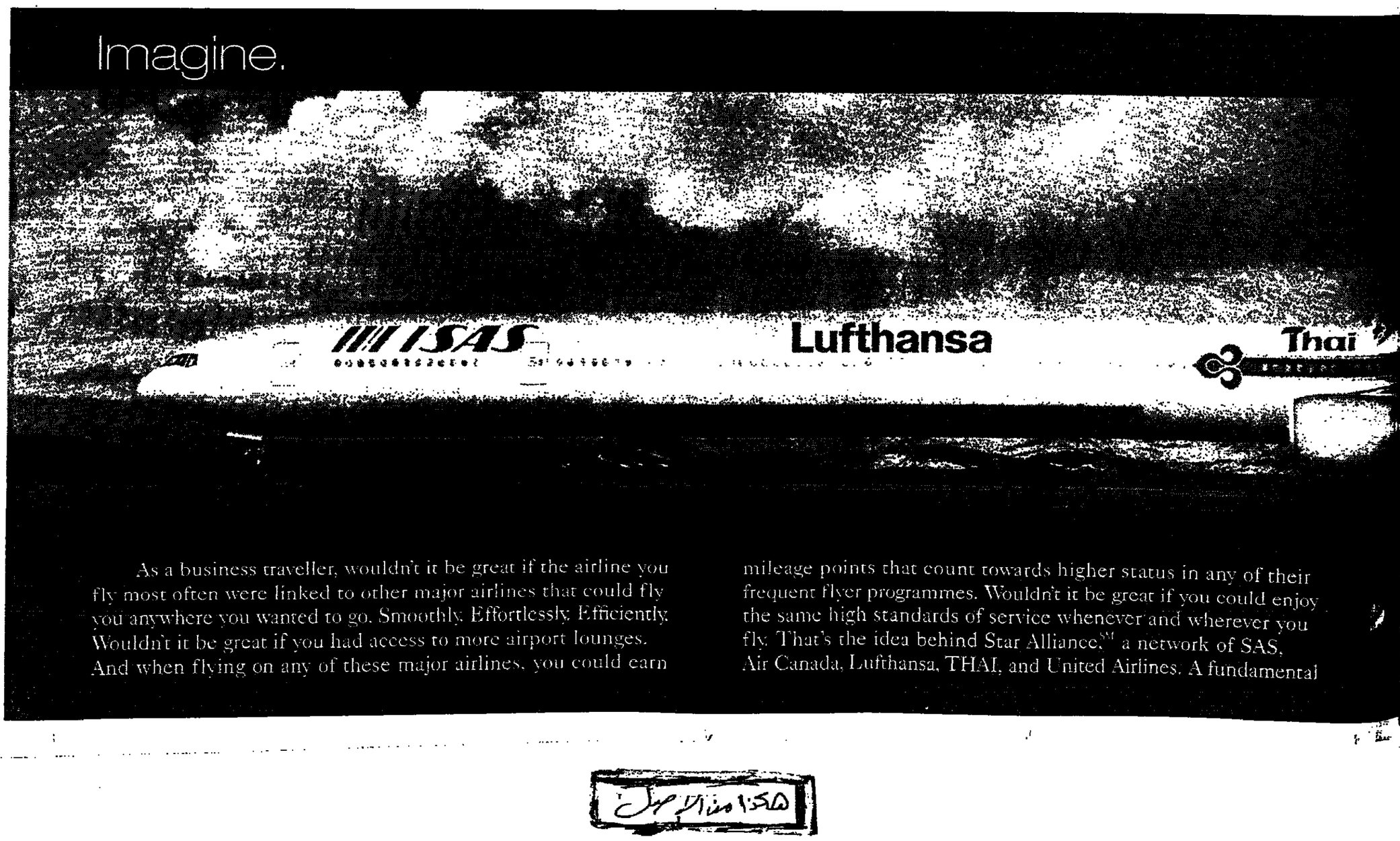
BASED on a novel by Rick Moody, in which the weather emergency of the title catalyzes a set of crises within two suburban families, Lee's beautifully acted drama takes a cool, disturbing look at ties that fail to bind.

Lee, who clearly thrives on switching gears, says he chose this project because he liked the book and the weather.

Sigourney Weaver and Kevin Kline play a couple in the midst of a joyless adulterous affair. They are joined by James Schamus, who wrote the screenplay, and 17-year-old Christina Ricci, cast as Kline's daughter, in a film where teenagers mimic their parents' restlessness.

"It's not moral," Lee said about the film's wintry deus ex machina. "It's about respect for nature."





As a business traveller, wouldn't it be great if the airline you fly most often were linked to other major airlines that could fly you anywhere you wanted to go. Smoothly. Effortlessly. Efficiently. Wouldn't it be great if you had access to more airport lounges. And when flying on any of these major airlines, you could earn mileage points that count towards higher status in any of their frequent flyer programmes. Wouldn't it be great if you could enjoy the same high standards of service whenever and wherever you fly. That's the idea behind Star Alliance,SM a network of SAS, Air Canada, Lufthansa, THAI, and United Airlines. A fundamental

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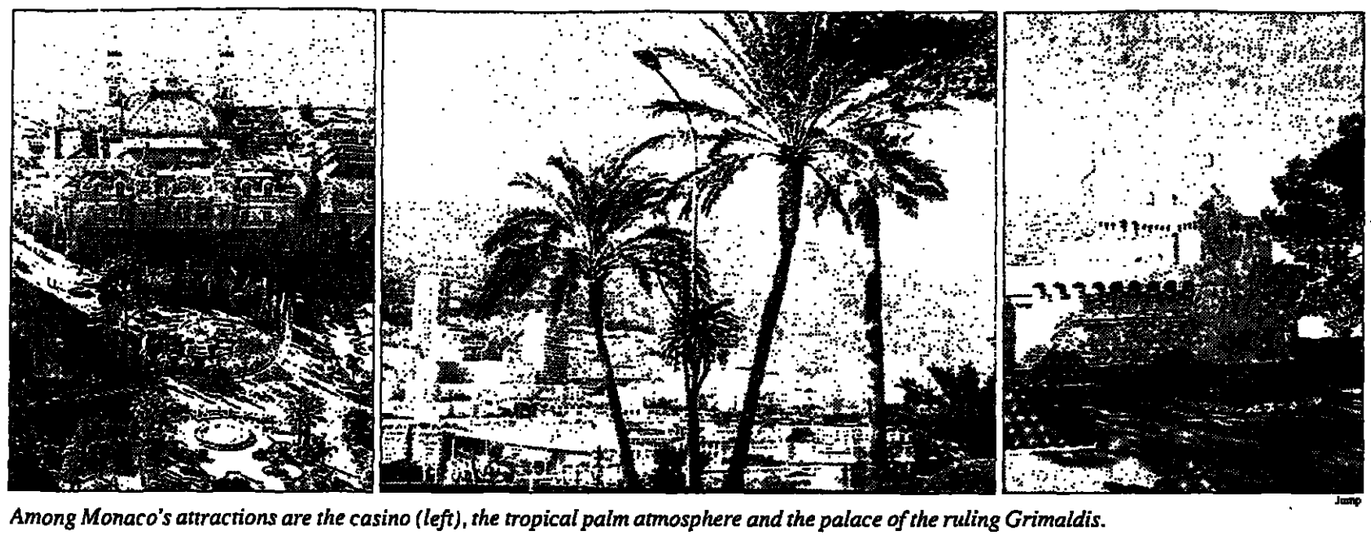
...no better way in the world to ...

LEISURE

The Curtain Is Going Up for Monaco's 700th Birthday Festivities

By Craig R. Whitney
New York Times Service



Among Monaco's attractions are the casino (left), the tropical palm atmosphere and the palace of the ruling Grimaldis.

MONTE CARLO — On Jan. 8, 1297, a political refugee from Genoa named Francesco Grimaldi and a few trusted associates in monks' clothing climbed a huge rock that projects into the Mediterranean near Nice and persuaded the defenders of the local castle to shelter them overnight. Once inside, they tore off their hoods, seized the castle and a piece of the coastline beyond, and made it their own — the Principality of Monaco, which has remained in Grimaldi hands ever since.

They didn't call Francesco "Malizia" (The Cunning) for nothing, and his successors have maneuvered around their more powerful neighbors with equal skill. Rainier III, the reigning sovereign prince, negotiated a treaty with the French in 1962 that lets Paris tax most of the 12,000 French citizens who live here, but the 6,600 Monegasques pay no income tax to anyone.

The fairy-tale realm uses French currency, but has its own telephone country code (377) and issues its own stamps, selling plenty of them this year to tourists drawn by the 700th anniversary of Grimaldi rule and the attendant celebrations.

With its clean streets, gleaming white and ocher buildings and one policeman for every 60 residents, Monaco is as safe and as make-believe-looking as Disneyland Paris, only smaller — an amusement park for adults. Or as Somerset Maugham put it, a sunny place for shady people attracted by its gambling casinos, founded by Rainier's great-great-grandfather Charles III to attract wealthy visitors to a place that had no natural resources besides a sliver of sea and a lot of sun.

GARNIER MASTERPIECE But Monte Carlo, where the casinos are, a half-mile east of the castle rock, is hardly Las Vegas-by-the-Sea. The original Casino is a Belle Epoque masterpiece by Charles Garnier, who designed the Paris Opera. In late spring and early summer the harbor below fills with yachts.

The secret of the place is its romance, underscored when Grace Kelly married Prince Rainier in 1956. She died in an automobile accident in 1982, and the prince has not remarried. Her tomb in the Monaco Cathedral, near the palace, has become a shrine to her memory.

On May 31, the prince and his family will mark the 700th anniversary of Grimaldi rule with an invitation-only reception for the 6,600 Monegasques in an open-air ceremony on the Place du Palais. Visitors may be able to watch the event on the local TV channel that can be seen in hotel rooms, but the square will be closed most of that day.

From June 20 to 22, the singer Emilio Santiago and other Brazilian artists bring Brazil to Monaco, with a free open-air concert in Fontvieille, on the western side of the palace promontory, on June 21 at 9 P.M.

On July 12 and 13, a huge pageant will re-enact the visit in 1529 of the Emperor Charles V of Spain, protector of Monaco at the time. The festivities, including a contest using medieval bows and arrows, will take place in the football stadium in Fontvieille. Information: (377) 93.30.42.27.

A musical commissioned for the anniversary and staged by Robert Hossein will have its premiere in the Casino opera house, the Salle Garnier, on July 18 at 8:30 P.M. "La Vie en Bleu," based on the life of Pablo Picasso, was inspired by the collaboration of Picasso and Coco Chanel on sets in this very house after World War II, and will go on the road after Aug. 19. Tickets are $14, $23 and $32, based on 5.59 francs to the United States dollar. Call (377) 97.70.77.00.

Fireworks displays over the harbor on July 22, 29, and Aug. 5 and 12 at 9:30 P.M., part of the international fireworks festival long held in the principality, are free, as are the open-air concerts that follow.

The prince's palace, 100 feet (30 meters) above the azure Mediterranean, is a lemon-yellow and gingerbread fantasy of Italian Renaissance and medieval styles. If a pennant with the Grimaldi coat of arms is flying over the medieval battlement on the southeast corner, Prince Rainier is at home.

The changing of the guard, accompanied by trumpets and drumbeats, starts at 11:55 A.M. daily. The throne room, state apartments and other public rooms of the palace can be visited after June 1 from 9:30 A.M. to 6:30 P.M. Admission, $5.40; call (377) 93.25.18.31. In the west wing of the Palace is a separate museum devoted to Napoleon, a distant relative of Prince Rainier, displaying the emperor's monocle and tobacco pouch and one of his hats. The Museum of Napoleonic Souvenirs and Historic Archives of the Palace, (377) 93.25.18.31, is open daily except Monday, 10:30 A.M. to 12:30 P.M. and 2 to 5 P.M.; from June 1 to Sept. 30, from 9:30 A.M. to 6:30 P.M. Admission $3.60; combined tickets to the Napoleonic museum and the palace, $7.

SPECTACULAR VIEWS

Left of the palace, as you face it on the Palace Square, don't miss a walk in the Jardin Saint-Martin, open from 7 A.M. to 5 P.M. No picnics are allowed, but the views from the paths through the gardens to the Oceanographic Museum are spectacular.

The huge Oceanographic Museum, on the Avenue Saint-Martin, (377) 93.15.36.00, reflects the professional interest that Prince Albert I, who reigned from 1889 to 1922, showed in the study of the sea. He harpooned a 65-foot-long rorqual whale not far offshore in 1896, and its enormous skeleton fills most of the museum's hall of zoological oceanography. The denizens of the aquarium on the lower floors include a brown moray eel that has been in residence since 1968. Open 9 A.M. to 7 P.M. in May and June and until 8 P.M. in July and August. Admission, $11.

You don't have to know a thing about gambling to enjoy a visit to the Casino, Place du Casino, (377) 92.16.21.21, the oldest of the three in Monte Carlo (Loews Monte-Carlo and the Café de Paris have the others) and the most famous — you'll recognize it from James Bond movie scenes that were filmed here. If you are 21 or older you will be admitted, starting at noon, on presentation of a passport or identity card and payment of $9. This allows you to enter not only the atrium, with 21 huge columns and a stained-glass ceiling, but also the two public gaming rooms: the European Rooms, where you can try your luck on slot machines or at roulette, blackjack and craps for small stakes and as little as one franc in the slot machines. Another $9 is required for entry to the Private Room, with two 700-pound chandeliers and a minimum stake of $90.

Down the hill along the beach, the National Museum, in another house designed by Garnier at 17 Avenue Princesse Grace, (377) 93.30.91.26, has a fascinating collection of more than 400 antique dolls and automatons — dolls or puppets with lifelike actions produced by 19th-century watchmakers' movements. The collection belonged to Madeleine de Galea, a patron of the arts who died in 1956. A portrait of her by Renoir hangs in the staircase. Open 10 A.M. to 6:30 P.M.; admission $4.65.

THE principality's supreme dining experience is the Louis XV, in the Hotel de Paris, Place du Casino; (377) 92.16.30.01. The restaurant had three Michelin stars until the chef, Alain Ducasse, tried for a grand slam by taking over Joel Robuchon's three-star restaurant in Paris. He kept the Paris stars in this year's guide but now has only two at the Louis XV.

The restaurant's formal ancien-régime décor almost cries out for such elegant dishes on the menu as vegetables from the gardens of Provence, simmered in crushed black truffle sauce.

The prices are stratospheric: a meal for two can run $400 to $500 with one of the 250,000 bottles of wine in the hotel's cellars. Closed Tuesday and Wednesday except for Wednesday dinner in summer.

You can watch the changing of the palace guard, then have a simple three-course menu on the square for $22 a person, plus wine, at Castelroc, Place du Palais, (377) 93.30.36.68. It specializes in such Monegasque dishes as stockfish (stocafi), a dried fish stewed in white wine with tomatoes, onions, potatoes and pepper. Closed Saturdays.

BOOKS

THE SHADOW CATCHER

By Andrzej Szczypiorski. Translated from Polish by Bill Johnston. 161 pages. $21. Grove.

Reviewed by Jonathan Yardley

IN the literature of the 20th century there is perhaps no more affecting image than that of the child caught in the terror of World War II.

It is also one of the most familiar images, occurring as it does in everything from "The Diary of Anne Frank" to Jerzy Kosinski's "The Painted Bird" to the novels of Aharon Appelfeld, not to mention innumerable stage dramas and films.

Yet after more than half a century it has lost none of its power to surprise and move us, as Andrzej Szczypiorski is the latest to remind us.

Szczypiorski is a prominent figure in postwar Polish history. A resistance fighter during the war, he became a writer and political activist afterward, his labors devoted to the removal of Soviet rule.

"The Shadow Catcher" seems to have a strong autobiographical element; it is a coming-of-age novel, written by a man of sufficient maturity to approach that genre without self-absorption or self-pity.

The youth whose passage the novel describes is named Krzys. He is 15 years old and lives in Warsaw with his parents. His father, a veteran of World War I, is "strict and demanding," taciturn yet gregarious, a self-made man who is "stubborn, rigid, and unsure of himself," humorless yet susceptible to "moments of relaxation. His mother is nervous and distracted, "egotistical, frivolous, beautiful, and beloved."

His parents love Krzys and he loves them, but he is 15 and ready to break away. Not merely are his hormones beginning to get into gear, but he has always been a dreamer, living in "a world of make-believe, which fell apart at one carelessly uttered word."

For any such child, leaving the cocoon of one's imagination and going out into the real world is a harsh transition.

It is all the more so for Krzys because at this moment in history even less is certain than usual, for the prospect of a war that will involve the entire continent grows more likely every day.

One important difference between "The Shadow Catcher" and other books about youths at this same time and place is that Krzys is not Jewish but Catholic. Jews are present in his life but mainly as "dignified old Jews and resolute Jewish teenagers" whom he sees on the streets of Warsaw, sights at once "strange and familiar, distant and close." The Jews are "restless and talkative," yet "in their eyes he could always see a shadow of fear, as if they were haunted by uncertainty, as if they were unable to shake off a sense of danger."

It is this shadow that, before the novel ends, falls over Krzys himself. His family ventures into the countryside for a holiday at the tumbledown estate of Pilecki, a wartime friend of his father who "had languished in the depths of Poland, in the back of beyond." There Krzys spends his first prolonged period in the countryside, where he meets Pilecki's niece and ward, Monika, who arouses him to other discoveries.

Lying in his bed at night, the smells and sounds of the land all around him, Krzys "thought to himself that for the first time in his life he was discovering the world with such intensity," that "never before had he communed with his own life so keenly and so palpably." He becomes aware of the vastness of the world and his own place in it when he hears a noise from his parents' bedroom, he understands that it is their world as well, that he can reach beyond himself and engage other people.

HE and Monika make awkward, tentative overtures to each other. His feelings for her are a 15-year-old's: intense, exaggerated, unbearable. Again, they are made all the more so by the talk of war he hears at the dinner table, as Pilecki gloomily talks of its certainty and Krzys's father wishfully invents schemes by which it can be avoided. When Krzys and Monika at last make a connection of sorts, they are desperate and helpless, "two children, two people, who knew they were doomed."

One inescapable reality about this story and all the others so much like it already written is that we know what lies ahead. Though Szczypiorski does not tell us what happens to Krzys or Monika, we know that, even at the best, the war will change their lives in awful ways. This knowledge does much of the author's work for him; There is no need to describe the terror ahead when we know all too well its nature and dimensions. But the emotions this novel arouses are honestly earned; Szczypiorski's spare, evocative prose, unobtrusively translated by Bill Johnston, takes us inside the heart of his young protagonist and makes the aches of that heart all too real.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

THE Cavendish Invitational Teams was a three-session event and attracted a strong field of 28 teams. Leading after the first session was an Italian foursome headed by a former world champion Soldano de Falco.

De Falco's teammates, Birola, Pietri and DiMaio, are little known to fame and an indication that Italian bridge may soon regain the eminence it enjoyed in the days of the Blue Team. The Calcutta pool totaled $182,800, while the Cavendish Pairs pool was likely to exceed $1 million.

On the diagramed deal from the teams event, Barry Goren of Chicago found a brilliant defense to three notrump. His partner, Bob Hamman, led a heart to the queen and king. The declarer was Richard Schwartz of East Elmhurst, Queens, and he needed at least one trick from the diamond suit. He therefore led to the jack, losing to the queen.

He would now have succeeded after routine defense. Suppose that East had returned a heart at this point, the declarer would have emerged with two heart tricks, one spade trick and one diamond trick to go with his five club winners.

But Goren made the remarkable return of the club ten, which proved fatal to South's communications. He won with the queen and led a second diamond, taken by the ace. Hamman then led a second club and South was in trouble. He won with the ace and played a heart, but a third club lead from Hamman destroyed his chance of scoring a second heart trick.

His only hope was to take the club ace and venture a spade finesse. When this failed, the defense had five tricks and defeated an apparently easy contract. It is seldom that a persistent attack on the declarer's long, strong suit is needed to defeat a notrump game.

NORTH
♠ 10 2
♡ 9 8 7 2
◇ K J 8 7
♣ A J 5

WEST
♠ K 5 3
♡ A 10 5 4
◇ A 9
♣ 8 7 3 2

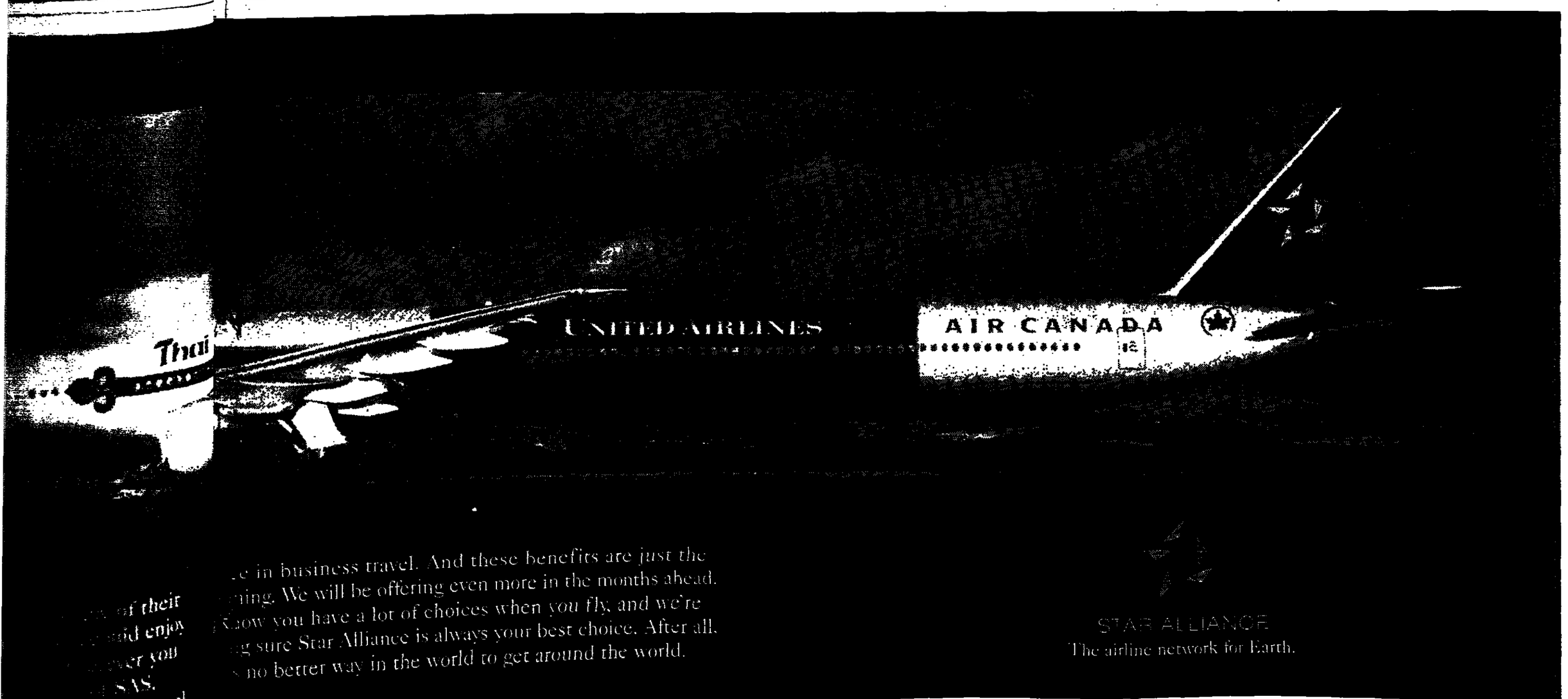
EAST
♠ J 9 8 6 4
♡ Q 3
◇ Q 10 5 4 2
♣ 10

SOUTH (D)
♠ A Q 7
♡ K J 6
◇ 6 3
♣ K Q 9 6 4

Neither side was vulnerable. The bidding:

South	West	North	East
1 N.T.	Pass	2 ♣	Pass
2 ◇	Pass	3 N.T.	Pass
Pass	Pass		

West led the heart four.



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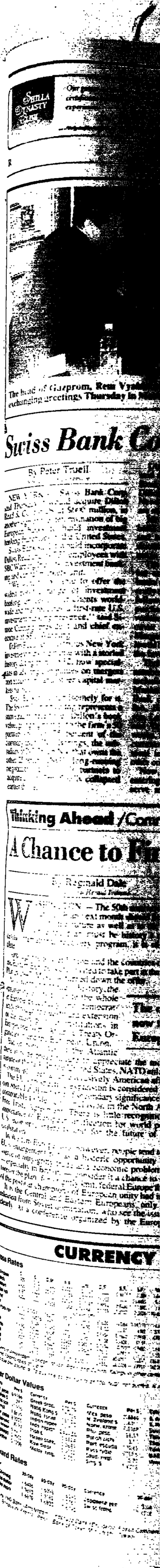

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Herald International Tribune
BUSINESS/FINANCE
FRIDAY, MAY 16, 1997

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The head of Gazprom, Rem Vyakhirev, left, and Russia's first deputy prime minister, Boris Nemtsov, exchanging greetings Thursday in Moscow at a meeting on the future of the natural-gas company. Page 17

Swiss Bank Corp. to Buy Dillon Read

By Peter Truell
New York Times Service

NEW YORK — Swiss Bank Corp. said Thursday it would acquire Dillon Read & Co. for about $600 million, in another sign of the determination of big European banks to build investment banking franchises in the United States.

Swiss Bank said it would incorporate Dillon Read and its 730 employees with SBC Warburg Inc., its investment banking and capital markets unit.

"We want to be able to offer the widest possible range of investment banking services to our clients worldwide and that requires a first-rate U.S. investment banking presence," said Simon Canning, president and chief executive of SBC Warburg.

Dillon Read, an illustrious New York investment banking name with a storied history dating from 1832, now specializes in advising companies on mergers and acquisitions and other capital markets business.

Swiss Bank paid handsomely for it. The $600 million price tag represents a sum equal to three times Dillon's book value, giving big profits to the firm's 50 partners who own 75 percent of the company and to ING Barings, the subsidiary of ING Group NV that owns the other 25 percent. ING's long-running negotiations with Dillon's partners to acquire all of the firm finally collapsed earlier this week.

[An ING spokesman, Ruud Polet, said the bank was unaware that Swiss Bank was poised to step in if its bid for Dillon Read fell through, Bloomberg News reported. "We take notice but we are not part of that deal," he said.

Mr. Polet said ING would continue to build its operations in the United States and keep looking for suitable acquisitions there and elsewhere. "We are not in a hurry," he said.]

The price for Dillon may seem high, but established American investment banks are hot properties. Analysts generally expect that this acquisition, which follows Bankers Trust Corp.'s recent purchase of Alex Brown Inc., an investment bank, and Dean Witter, Discover & Co.'s pending merger with Morgan Stanley Group, will be followed by other mergers and takeovers in the investment banking world.

There are frequent rumors about any number of banks and securities firms, including J.P. Morgan & Co., Chase Manhattan Corp., Nationsbank Corp., Bank of America, Lehman Brothers Inc., Salomon Brothers Inc., Donaldson, Lufkin & Jenrette Securities Corp. and Oppenheimer & Co. In recent weeks, all these firms have declined to comment on rumors about their involvement in potential combinations with other companies.

Now, there are more regional banks entering the field, after the Federal Reserve recently relaxed its rules governing the size of securities units that banks may own. Several big regional banks have recently begun applying to the banking authorities to set up securities subsidiaries.

"This is the type of deal one would expect to see," said Sallie Krawcheck, an analyst at Sanford Bernstein & Co., "One of the small- to medium-sized brokerage companies being sold to a larger player with global aspirations." The acquisition, she said, should help Swiss Bank in the United States, because "Dillon Read has an extremely strong reputation."

John Keefe, an independent bank analyst, said Swiss Bank, while it has a leading position in European investment banking markets, certainly "needs as much mass as they can get" in the United States.

"This combination is an excellent fit for both firms," said Franklin Hobbs, Dillon Read's president and chief executive officer, "as it will enhance significantly the capabilities and resources we are able to offer our clients and the career opportunities available to our staff."

Dillon Read, which has not historically disclosed financial results because it has been a private company, has certainly been profitable, according to its top officers.

"Since 1981, we have had an average return on our equity of 21 percent," said John Birkelund, Dillon's chairman.

A Currency Bloodbath Turns Global

As Thais Protect Baht, Pressure Spreads to 2 Other Continents

By Erik Ipsen
International Herald Tribune

LONDON — Thailand's bitter battle with currency speculators leaped its Southeast Asian fire walls Thursday as currencies as far afield as the Czech Republic and South Africa came under pressure.

Thailand raised short-term interest rates to well over 1,000 percent in a winning effort to squeeze currency speculators.

But the strategy, designed to defuse speculation that Thailand or any other Asian country might weaken its currency as Mexico did three years ago, could throttle an economy already growing at its slowest pace in a decade.

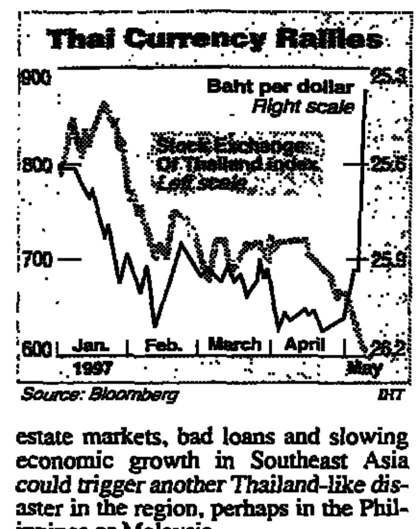
The baht strengthened Thursday, with the dollar falling to 25.29 baht, its lowest since August. Thailand successfully enlisted the aid of central banks in other Southeast Asian nations Wednesday when the dollar reached 25.50 baht, triggering the biggest rally by the baht since January 1995.

But even as the battle for the baht took a decisive turn for the better in Thailand, Southeast Asian stocks tumbled amid concern that investors would flee Asian markets.

The benchmark stock index in Thailand fell 2.4 percent to a seven-year low, while Malaysia's lost 2.9 percent and markets in Indonesia and the Philippines tumbled more than 2 percent.

"Everything is crumbling in Asia," Hugh Young, managing director of Abtrust Fund Managers (Singapore) Ltd., told Bloomberg News. "People got jittery."

Investors are worried that weak real-estate markets, bad loans and slowing economic growth in Southeast Asia could trigger another Thailand-like disaster in the region, perhaps in the Philippines or Malaysia.



The Philippine central bank raised a key interest rate twice Thursday, and Malaysia pushed rates higher to prevent an attack on their currencies.

No analysts in Thailand would say that the attacks on the baht were over, and most economists continued to argue against devaluation, saying a cheaper baht would fail to solve the country's problems of a high current-account deficit and a cooling economy.

Some economists now fear that the medicine of high interest rates that worked so well against speculators could hurt Thai industry. When interest rates get as high as they did Thursday, said Paul Chertkow, head of foreign exchange at Union Bank of Switzerland, "markets begin to focus in on how some domestic companies can survive."

Bangkok aims to keep interest rates high, crimping demand and curbing imports, to trim its current-account deficit, now among the world's highest at about 8 percent of gross domestic product.

On Wednesday, the central bank cut its forecast for the country's 1997 GDP growth to 6 percent from 7.1 percent, which some economists said was still too optimistic.

The bank will announce revised forecasts Friday.

Financial issues, including Bangkok Bank PCL, the country's biggest bank, led the decline among stocks Thursday amid expectations that the rising interest rates would trigger more loan defaults. Economists have predicted that economic growth for the year, which they estimate at 5 percent, already would slow by a half percentage point because of interest-rate increases instituted before Thursday.

Further afield, speculation against the Czech koruna grew so intense Thursday that the central bank was forced for the first time in 15 months to intervene in markets by buying its currency. The bank also announced plans to raise its discount rate Friday to further aid the currency.

In South Africa, there were unconfirmed reports that the central bank had needed to intervene in support of the slumping rand.

Meanwhile, some analysts blamed recent weakness in Brazilian bond and stock markets on a similar set of foreign concerns over the deterioration in that country's trade accounts.

"The market is focusing now on any countries that are running a big balance-of-payments deficit," said Richard Gray, an economist with Bank of America.

Kuwait Sells Off $2 Billion Stake in BP

By Peter Truell
New York Times Service

NEW YORK — Kuwait sold a 3 percent stake in British Petroleum Co., worth $2 billion, in what several bankers said was the largest trade ever of a single block of shares.

The transaction, involving 170 million shares, was done through Goldman, Sachs & Co., which bought the shares Wednesday and placed them with institutional investors around the world Thursday.

The sale is a stunning example of how big and liquid the world's financial markets have become as financiers take advantage of rapid developments in technology and communications.

It was the latest of several block trades recently carried out by Goldman, Sachs. In February, Carl Icahn, the financier, sold 19.93 million shares of the RJR Nabisco Holding Corp. through Goldman for $732 million. The firm also sold $934 million of Guinness shares for LVMH Moet Hennessey Louis Vuitton in January.

Kuwait will retain a 6.3 percent stake in British Petroleum, but the sale weighed on BP's shares Thursday. They closed at 724 pence ($11.88), down 21.

Kuwait's sale further pares the huge stake in British Petroleum that it took after the 1987 stock market collapse interrupted the British government's sale of its shares in the company. Then, Kuwait bought 21.6 percent of BP, but British regulators ordered it to reduce its share to 9.9 percent, saying the sizable holding might "operate against the public interest." That ruling prompted the Kuwaiti government to part with investments it had originally planned to hold for many years.

Still, Kuwait did very well from its investment. In 1987, as it was building up its stake, Kuwait paid $417 million for 4.9 percent of British Petroleum.

The huge sale was accomplished rapidly Wednesday. The Kuwaiti government, acting through its advisers at Schroders PLC, the British merchant bank, approached Goldman, Sachs after the close of business on the London Stock Exchange, asking for bids for 170 million shares of British Petroleum, according to sources familiar with the transaction.

Goldman, Sachs made a successful but undisclosed bid for all the shares, essentially pledging to put up close to $2 billion to acquire them, the sources said. The firm then began offering them to its clients around the world at 716 pence a share, a discount on the London stock exchange closing price of 745 pence a share.

As word of the huge sale spread through the market in New York late Wednesday, there was a rush by investors to trade American depository receipts of British Petroleum. That caused an order imbalance, which prompted the New York Stock Exchange to halt trading for 26 minutes.

After trading resumed, British Petroleum ADRs closed Wednesday at $141.25, down $3.75. Thursday, the ADRs rose 75 cents to close at $142. ADRs are the typical way foreign shares trade on the New York Stock Exchange; each ADR of British Petroleum represents 12 shares of the London-based company.

The Kuwaiti government, through its investment office in London, issued a statement confirming that such a large sale had occurred but without specifying the company, referring to it only as "Dhow," a term for a classic Arab sailing boat. People familiar with the transaction said Dhow was the code name for British Petroleum in the secretive preparations for the sale.

The Kuwaiti government said its remaining 6.3 percent stake in BP represented "a core investment for the Future Generation Fund of Kuwait." Kuwait "will remain a significant investor" in the company, it said.

Thinking Ahead /Commentary

A Chance to Finish the Marshall Plan

By Reginald Dale
International Herald Tribune

WASHINGTON — The 50th anniversary of the Marshall Plan next month should be a time to look to the future as well as to the past. For while the plan must be history's most successful international recovery program, it is still incomplete.

Although the Soviet Union and the countries of Central and Eastern Europe were invited to take part in the Marshall Plan in 1947, Moscow turned down the offer.

Now, for the first time in history, the opportunity exists to unite the whole of Europe peacefully and democratically through the eastward extension of the main postwar institutions in Europe, the North Atlantic Treaty Organization and the European Union.

The opportunity exists now to unite the whole of Europe peacefully.

But on both sides of the Atlantic there is widespread failure to appreciate the momentous nature of the task. In the United States, NATO enlargement is commonly seen as an exclusively American affair.

The EU's prospective expansion is considered — if it is considered at all — to be of secondary significance, perhaps comparable to Mexico's inclusion in the North American Free Trade Agreement. There is little recognition of the importance of European unification for world peace, for U.S. economic interests and for the future of Western civilization.

In Western Europe, too, however, people tend to see the EU's enlargement not as a historic opportunity but as a source of nitty-gritty trade and economic problems. Some — especially in Britain — consider it a chance to sabotage forever the plans for a tightly knit, federal Europe that many of the postwar champions of European unity had in mind.

It is the Central and Eastern Europeans, only recently released from Soviet domination, who see the issues most clearly. At a conference organized by the European Institute here last week, representatives from the Central European countries were the most inclined to echo the vision of Europe's founding fathers.

Central Europeans, said Ferenc Somogyi, a senior Hungarian official, feel "an emotional attachment" to things that existing EU and NATO members take for granted.

That perspective is understood at the higher levels of the U.S. administration. Rudolf Perina, a senior State Department official, pointed out that never before had Europe been without empires or competing ideologies, or shared so many basic values.

Misconceptions, however, are rife among a wider public. Americans often suggest that the EU should rush to admit the Central Europeans, that the planned European single currency, the euro, will make their entry more difficult, and that individual countries left out of the first round of NATO enlargement should be compensated by early EU membership.

But the single currency need not be a problem. It will be perfectly possible, "respectable," in the words of a British diplomat, to be a member of the EU and not part of the euro zone, as Britain and other countries will soon demonstrate.

As for timing, that is now up to the candidate countries. It depends on how fast they can prepare for competition in the EU's single market and adopt its rules. With average per capita income in the 10 Central and East European applicant countries still less than a third of the EU average, it is clear than many of them have a long way to go.

Certainly a way must be found to ensure that all the Central European countries are included in the integration process, whether or not they make the first round of NATO and EU expansion. But premature membership in a club in which they cannot compete is not the answer.

What is important is that governments fully understand how much is at stake when the time comes for them to ratify the eastward extension of the Western institutions. Remembering George Marshall can help them do that.

CURRENCY & INTEREST RATES

Cross Rates

May 15

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.909	3.13	1.1245	0.3337	0.114*	—	5.4475*	1.334	1.6435*	1.3795	1.3325*
Brussels	34.905	57.59	20.642	6.179	2.0927*	18.355	—	24.4455	0.302	25.21	24.50*
Frankfurt	1.6887	2.727	—	0.2969	0.1014*	0.8894	4.8444*	1.1845	1.463*	1.2175	1.1849*
London (a)	1.6484	—	2.7858	9.384	2,749.64	3.1319	57.5107	2.3528	190.4447	2.2787	235.07
Madrid					Not Available						
Milan	1,667.75	2,740.40	986.30	293.10	—	878.30	47.84	1,167.10	14.419	1,200.95	11.781
New York (b)	—	1.6427	1.6975	5.7185	1,674.80	1.9105	35.07	1.4305	115.975	1.3708	143.55
Paris	5.6931	9.349	3.3683	—	0.3413*	2.9956	0.1632	3.9918	4.9227*	4.1135	3.991*
Tokyo	116.90	192.44	69.00	20.49	0.701	61.36	3.3438	81.55	—	84.16	0.8183
Toronto	1.3731	2.2575	0.8091	0.2402	0.0821*	0.7194	0.392*	0.9602	1.1847*	—	0.959*
Zurich	1.4357	2.3511	0.8447	0.2571	0.0856*	0.7512	4.092*	—	1.2356*	1.038	1.0831*
1 ECU	1.1581	0.7052	1.9575	6.5933	1,931.77	2.208	40.4011	1.6517	133.937	1.6028	165.206
1 SDR	1.3971	0.8513	2.3593	7.9537	2,330.36	2.6552	48.6708	1.9922	162.301	1.9199	N.Q.

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 p.m. and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	270.79	Mex. peso	7.8860	S. Afr. rand	4.488
Australian $	1.287	Hong Kong $	7.738	N. Zealand $	1.4351	S. Kor. won	891.40
Austrian sch.	11.926	Hung. forint	181.24	Norw. krone	7.0148	Swed. krona	7.5729
Brazil real	1.0679	Indian rupee	35.815	Phil. peso	26.37	Taiwan $	27.78
Chinese yuan	8.3225	Indo. rupiah	2433.50	Polish zloty	3.15	Thai baht	25.83
Czech koruna	30.93	Irish £	0.6524	Port. escudo	170.87	Turkish lira	137060.
Danish krone	6.4355	Israeli shek.	3.3889	Russ ruble	5757.5	UAE dirham	3.671
Egypt. pound	3.3952	Kuw dinar	0.3003	Saudi riyal	3.75	Venez. boliv.	482.25
Fin. markka	5.1208	Malay. ring.	2.501	Sing. $	1.4318		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6406	1.6398	1.6390	Japanese yen	115.04	114.49	114.02
Canadian dollar	1.3810	1.3782	1.3753	Swiss franc	1.4218	1.4169	1.4122
Deutsche mark	1.6870	1.6833	1.6795				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

May 15

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 11/16	3 - 3 1/8	1 7/16 - 1 9/16	6 3/16 - 6 5/16	3 3/16 - 3 5/16	3/16 - 5/16	4 - 4 1/8
3-month	5 3/4 - 5 13/16	2 15/16 - 3 1/16	1 1/8 - 1 1/4	6 7/16 - 6 9/16	3 5/16 - 3 3/8	1/2 - 5/8	4 1/8 - 4 1/4
6-month	5 7/8 - 5 15/16	3 1/16 - 3 3/16	1 1/4 - 1 5/16	6 9/16 - 6 11/16	3 5/16 - 3 7/16	9/16 - 11/16	4 3/16 - 4 5/16
1-year	6 1/8 - 6 1/4	6 1/8 - 6 1/4	1 3/8 - 1 1/2	6 3/4 - 7	3 3/8 - 3 1/2	13/16 - 7/8	4 1/4 - 4 3/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5½
90-day CDs dealers	5.71	5.71
180-day CP dealers	5.70	5.70
3 month Treasury bill	4.97	5.04
1-year Treasury bill	5.50	5.52
2-year Treasury bill	6.21	6.24
5-year Treasury note	6.51	6.53
7-year Treasury note	6.57	6.59
10-year Treasury note	6.66	6.68
30-year Treasury bond	6.87	6.89
Merrill Lynch 30-day RA	4.98	4.98
Japan		
Discount rate	0.50	0.50
Call money	0.40	0.41
1-month interbank	0.52	0.52
3-month interbank	0.54	0.54
6-month interbank	0.62	0.62
10-year Govt bond	2.79	2.82
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.10
1-month interbank	3.15	3.15
3-month interbank	3.20	3.20
6-month interbank	3.25	3.25
10-year Bund	5.67	5.65

Britain		
Bank base rate	6¼	6¼
Call money	6½	6½
1-month interbank	6 5/16	6 5/16
3-month interbank	6 1/2	6 1/2
6-month interbank	6 5/8	6 5/8
10-year Gilt	6.99	6.99
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3¼	3¼
3-month interbank	3 5/16	3 5/16
6-month interbank	3⅜	3⅜
10-year OAT	5.57	5.54

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	346.25	−2.65
London	348.10	346.40	−2.70
New York	348.50	348.40	+0.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)
Source: Reuters.

EUROPA FUNDS LIMITED

Notice is hereby given that the Annual General Meeting of the Company will be held at the Company's registered office c/o Hemisphere Fund Managers, Harbour Centre, George Town, Grand Cayman, Cayman Islands on 30th May 1997 at 11:00 a.m.

All shareholders are invited to attend or to appoint a proxy to attend.

Information: Carol Mitchell
Europa Funds Limited
Tel: (441) 295-9166

The Monte Carlo Investment Forum

Exhibition & Conferences
5 & 6 June 1997 - Le Sporting, Place du Casino

1. *Which Asset Management Strategy & Instruments for Tomorrow?*
- Corporate Performance, A comparative Analysis- Professor Lucian Bebchuk, Harvard Universit
- European Portfolio, A Proven Management Style- M. S. Pinto, Dir. LCF Rothschild
- A Global Approach to Investment Strategy- M. Bijal Shah, Strategist, Merrill Lynch
- Investing in Emerging Markets- M. F.D. van Loon, Managing Director, ING Bank
- Managing Futures- Mr. Gerard Iwema, Financial Advisor, Prudential Bache Securities
- Investing in Derivatives- Mr. Paolo Faldini, Managing Director, MC Derivatives Program (Mil
- Asset Management Diversification: Currencies- Mr. Michel Santini, M.D. FTF Forex

2. *Luxury: Growth & Opportunities*
- Mrs. Mireille Maury, Chief Financial Officer- Hermès
- Mr. Marc Willaume, Manager, Investor Relations- L.V.M.H Group
- M. Luciano Abbati, Managing Director- Versace Parfums
- Mme Katherine Blunden, Deputy Managing Director- Régéval Fimagest
- Mr. Edouard de Nazelle, Managing Director, Champagne Veuve Clicquot

3. *What are the Consequences of the Euro?*
- Mr. Laurent Cohen-Tanugi, Cleary, Gottlieb, Steen & Hamilton, (Paris)
- Mr. Sean Hanafin, Citibank (London)
- Mr. Lawrence B. Lindsay, Fr. Member of the Federal Reserve Board (Washington, D.C.)

4. *Hong Kong: Who will benefit from the Transfer of Sovereignty?*
- M. Joseph K. Lee, Regional Director (Europe)- Hong Kong Trade Development Council
- Mr. Y. S. Daniel Lai, Lai, Chan, Lo & Partners (Hong Kong)
- Mr. Marc Faber, Managing Director- Marc Faber Limited (Hong Kong)
- Mr. Alexandre Vilegrain, Vice President, Groupe Vilegrain (Paris)
- Moderator: Mr. J. Méchélany, Managing Director- Julius Baer (Monaco)

5. *Monaco, the Newly Born Financial Center?*
- M. Henri Fissore*, Government Councellor for Finance & the Economy
- M. Jean-Pierre Campana Director for Economic Expansion
- M. Joseph-Alain Sauzier, General Delegate, Monaco Banking Association
- M. Eamonn McGregor, Managing Director, Moores Rowland (Monaco)
- Mr. Alain Fresia, Fresia Consulting
- Mr. Raoul Boni, President, Real Estate Association of Monaco

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Simultaneous English French Italian Translation

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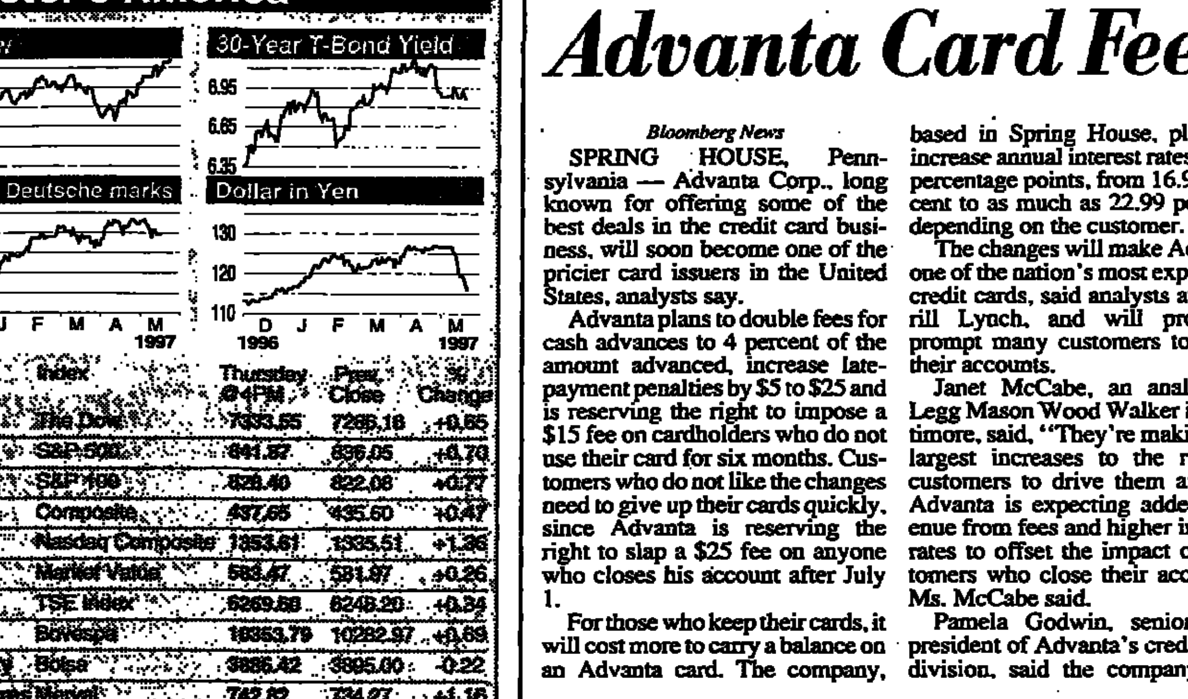


Exchange	Index	Thursday @ 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7333.55	7286.16	+0.65
NYSE	S&P 500	841.87	836.05	+0.70
NYSE	S&P 100	828.40	822.06	+0.77
NYSE	Composite	437.65	435.60	+0.47
U.S.	Nasdaq Composite	1353.61	1335.51	+1.36
AMEX	Market Value	583.47	581.97	+0.26
Toronto	TSE Index	6269.58	6248.20	+0.34
São Paulo	Bovespa	10353.79	10282.97	+0.69
Mexico City	Bolsa	3886.42	3895.00	-0.22
Buenos Aires	Merval	742.82	734.27	+1.16
Santiago	IPSA General	5334.25	5335.20	-0.02
Caracas	Capital General	6683.38	6627.80	+0.84

Source: Bloomberg, Reuters — International Herald Tribune

Advanta Card Fees to Soar

Bloomberg News

SPRING HOUSE, Pennsylvania — Advanta Corp., long known for offering some of the best deals in the credit card business, will soon become one of the pricier card issuers in the United States, analysts say.

Advanta plans to double fees for cash advances to 4 percent of the amount advanced, increase late-payment penalties by $5 to $25 and is reserving the right to impose a $15 fee on cardholders who do not use their card for six months. Customers who do not like the changes need to give up their cards quickly, since Advanta is reserving the right to slap a $25 fee on anyone who closes his account after July 1.

For those who keep their cards, it will cost more to carry a balance on an Advanta card. The company, based in Spring House, plans to increase annual interest rates 2 to 6 percentage points, from 16.99 percent to as much as 22.99 percent, depending on the customer.

The changes will make Advanta one of the nation's most expensive credit cards, said analysts at Merrill Lynch, and will probably prompt many customers to close their accounts.

Janet McCabe, an analyst at Legg Mason Wood Walker in Baltimore, said, "They're making the largest increases to the riskiest customers to drive them away." Advanta is expecting added revenue from fees and higher interest rates to offset the impact of customers who close their accounts, Ms. McCabe said.

Pamela Godwin, senior vice president of Advanta's credit card division, said the company was "repricing certain situations based on risk."

Advanta has been struggling with losses from customers who have defaulted, and recently warned that the problems could force the sale of the company. The company lost $19.8 million in the first quarter, and has been seeking new ways to raise revenue and weed out risky accounts.

Advanta, in a notice sent to customers this month, said those who do not like the new fees could close their accounts until June 30 without being charged the $25 fee.

Advanta grew to become the nation's ninth largest credit card issues, with more than $12 billion in outstanding loans, by luring new customers with cards offering no fees and low rates at a time when many rivals were charging 19.8 percent rates and $20 annual fees.

Blue Chips Set Record As Rate Rise Recedes

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Thursday, with blue-chips setting a record, after unexpectedly weak manufacturing reports suggested the Federal Reserve Board would not need to push interest rates much higher.

Reports on factory utilization across the country and a snapshot of Philadelphia-area manufacturing suggested that growth was slowing from its decade-best rate in the first quarter, diminishing the potential for inflation.

They outweighed an earlier report from the Labor Department showing that consumer prices, excluding the volatile food and energy sectors, rose 0.3 percent in April, the largest increase since September.

"The markets either don't expect a Fed rate increase or they expect a benign one," said Laszlo Birinyi, who runs his own research firm in Greenwich, Connecticut.

The Dow Jones industrial average closed 47.39 points higher at a record 7,333.55, while the broader Standard & Poor's 500-share index closed up 5.83 points at 841.87. Advancing issues narrowly edged declining ones on the New York Stock Exchange.

The price of the benchmark 30-year Treasury bond rose 5/32 point, to 97 even, taking the yield down to 6.86 percent from 6.89 percent Wednesday.

"If rates stay fairly stable and inflation doesn't seem to be a huge threat and the economy continues to grow, then the market looks OK," said Steve Mindnich, head trader at Jefferies & Co. "There's still a ton of money coming in."

Technology issues led the rally, with Informix rising 1 15/16 to 11⅛ on speculation the database system maker would be taken over by Microsoft. Microsoft rose 1¼ to 117⅛.

Amazon.com, a money-losing order-by-Internet bookstore, rose strongly on its first day of trading. Amazon offered an initial 3 million shares at 18, and they closed at 23⅝.

Hewlett-Packard rose 2⅜ to 59 on expectations that its second-quarter profit would beat year-earlier figures on strong sales of servers

U.S. STOCKS

and other computers. But after the market closed, the company said its net income rose only 8 percent, to $784 million, below expectations. Sales rose to $10.3 billion from $9.88 billion.

The company said it was "disappointed with order and revenue growth," and that it would concentrate on cost cutting in the months ahead. Analysts said the results could send the stock lower Friday.

Intel rose 5⅛ to 158, extending its comeback after two rival computer chipmakers filed lawsuits saying Intel's best-selling Pentium chip used their patented technology.

Ascend rose 2 15/16 to 47⅞ after federal antitrust officials requested more information on its planned $3.49 billion takeover of rival networker Cascade Communications, which rose 1 9/16 to 32⅜.

XCL fell 1/32 to ¼ after the oil and gas exploration company reported a loss of $1.21 million for the quarter to March 31.

Gateway 2000 rose 7½ to 68⅞ after the computer-maker announced plans to split its stock 2-for-1 and move its listing to the New York Stock Exchange from the Nasdaq market. Gateway also said it would buy back as many as 10 million shares of its stock.

HemaSure fell 1 to 1¾ after it said it was suspending clinical trials of its SteriPath system for purifying blood. HemaSure said the decision had been prompted by questions from U.S. regulators about the use of a certain chemical for filtering bacteria or viruses.

Diamond Home Services fell 2½ to 8¾ after it warned that its second-quarter profit would be as much as 50 percent below year-earlier levels. It said its results had been pressured by investments in advertising and infrastructure.

(Bloomberg, Reuters, AP)

Marathon and Ashland Join Forces

Bloomberg News

HOUSTON — USX Corp. and Ashland Inc. said Thursday they planned to combine their refining and retail fuel sales businesses, creating the fourth-largest producer of gasoline in the United States.

USX-Marathon Group, the Houston-based oil division of USX Corp. of Pittsburgh, will own 62 percent of the joint venture, which will have assets valued at more than $5 billion. Ashland, based in Russell, Kentucky, will own 38 percent.

If approved by federal regulators, the venture would be the latest in the refining industry, which has seen weak profits in recent years because of overcapacity and increased competition. Marathon and Ashland may cut costs by laying off workers and closing storage terminals, refineries and gas stations, analysts said.

"When you have overlapping assets, there are much greater possibilities for creating efficiencies by closing redundant operations," said Michael Young, an analyst with Deutsche Morgan Grenfell.

The joint venture will have 5,400 service stations and convenience stores across 20 states, and it will control 6 percent of U.S. refining capacity, the companies said.

Ashland and Marathon did not provide details on possible staff cuts. In a statement, the companies said there would probably be "work force reductions and job reassignments," but that the long-term growth potential of the venture might provide future job opportunities.

The companies also said they had no immediate plans to close refineries.

Shares of Ashland rose $1 to close at $46.50. Marathon rose 50 cents to $28.625.

Very briefly:

Kmart Posts 4th Straight Profit

TROY, Michigan (AP) — Kmart Corp. said Thursday it earned $14 million in its first quarter, the fourth consecutive quarterly improvement for the third-largest retailer in the United States.

The company's earnings of 3 cents a share in the period that ended April 30 contrasted with a loss of $99 million a year earlier. Sales rose to $7.26 billion from $6.98 billion.

The 1996 results were affected by a $61 million charge for Kmart's sale of its stake in Thrifty PayLess Holdings Inc. and a re-evaluation of its remaining holdings in the regional drugstore chain. Kmart, which trails Wal-Mart Stores Inc. and Sears, Roebuck & Co. in size in the U.S. market, has been trying to return to profitability for the past few years by selling off subsidiaries, closing unprofitable stores and focusing on its core discount operations.

Separately, the San Francisco-based retailer Gap Inc. said it earned $84.3 million, or 31 cents a share in the quarter that ended May 3, compared with $81.6 million, or 28 cents a share, a year earlier. Sales were $1.23 billion, up from $1.11 billion.

• **Dow Chemical Co.** said it would acquire **Eli Lilly & Co.**'s 40 percent stake in the companies' agricultural-chemicals joint venture, Dow Elanco, for $900 million plus undistributed earnings.

• **Navistar International Corp.** said its second-quarter net income rose 15 percent, better than analysts' expectations, because of strong demand for midsize diesel engines; the Chicago-based maker of trucks, diesel engines and service parts also said it would increase production at three plants.

• **Home Box Office** said it was starting a channel on which programming would be limited to movies or original shows rated G, PG or PG-13, meaning suitable for all viewers or with parental guidance suggested for viewers under age 13; the channel, HBO Family, is to be offered on a preview basis for some customers in June. *Bloomberg, Reuters, AP*

Dollar Slides Against Yen on Interest-Rate Outlook

Compiled by Our Staff From Dispatches

NEW YORK — The view that U.S. interest rates will remain steady while Japanese rates are likely to rise drove the dollar down against the yen Thursday.

Rumors that Japanese fund managers were ready to sell dollars in anticipation of further declines in the U.S. currency also kept the dollar pinned down. "We're starting to see funds hedge against overseas holdings to prevent further currency losses," said Keith Edmonds, chief analyst at IBJ International.

The dollar fell to 115.975 yen in 4 P.M. trading from 117.26 yen Wednesday.

Japanese officials expressed satisfaction at the dollar's decline. The deputy finance minister, Tadashi Ogawa, said, "Recent trends

FOREIGN EXCHANGE

on the forex market show that the markets have become more receptive to the G-7 conclusions."

In February, the Group of Seven's top finance officials and central bank governors said the phase of dollar correction was over and called for stable exchange rates. At the time, the dollar stood at around 1.65 Deutsche marks and 124 yen.

"It had been clear since the Group of Seven meeting in Berlin in February that the Japanese wanted a lower dollar," said Peter von Maydell, an analyst at Union Bank of Switzerland. Moreover, the market now realizes "that there is an ever greater likelihood of a rise in Japanese interest rates," he said.

On the other hand, U.S. industrial output and inflation figures announced Thursday "hardly call for a policy tightening" at the Federal Reserve Board's meeting Tuesday, he said.

A Labor Department report showed the consumer price index — the broadest gauge of prices Americans pay for goods and services — rose a tame 0.1 percent in April. But the core rate of the index, which doesn't count food and energy costs, rose 0.3 percent last month — the biggest gain since September.

But the dollar pared some of its losses against the yen after Robert Rubin, the U.S. Treasury secretary, repeated that a strong dollar remained in the U.S. national interest.

In late trading, the dollar was quoted at 1.6975 DM, up from 1.6948 DM the day before, and at 5.7185 French francs, up from 5.7070. But the dollar fell to 1.4305 Swiss francs from 1.4355 francs. The pound fell to $1.6427 from $1.6465.

(Reuters, Market News, AFX)

AMEX

Thursday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AM Intl	341	3⅛	2⅞	2¹⁵⁄₁₆	-⅛
ARC	653	3⁹⁄₁₆	3½	3½	-⅛
ASR Inv	143	22	21⅞	21⅞	—
AT Plas g	100	8⅝	8½	8⅝	+⅛
AVIC Gp n	353	3⅞	3⁹⁄₁₆	3⁹⁄₁₆	-⅛
AckGrp s	111	11⅛	11	11	-⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7280.39	7336.43	7254.01	7333.55	+47.39
Trans	2620.62	2625.25	2608.91	2624.63	+8.02
Util	222.61	223.27	221.83	222.72	+0.11
Comp	2260.06	2272.19	2252.99	2270.84	+10.70

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	989.37	979.92	983.01	991.83
Transp.	609.35	602.32	603.87	605.11
Utilities	194.46	192.74	193.90	193.75
Finance	95.44	93.81	94.91	94.78
SP 500	841.29	833.13	836.04	841.88
SP 100	826.14	818.62	821.99	828.40

NYSE

	High	Low	Last	Chg.
Composite	437.82	434.18	437.65	+2.05
Industrials	555.87	550.76	555.69	+3.69
Transp.	395.46	393.38	394.97	+0.23
Utility	269.48	266.99	269.32	+0.88
Finance	396.74	394.26	396.15	-0.57

Nasdaq

	High	Low	Last	Chg.
Composite	1353.98	1335.35	1353.61	+18.06
Industrials	1086.86	1072.92	1086.64	+12.15
Banks	1447.01	1440.96	1444.72	+0.33
Insurance	1504.22	1494.39	1498.18	-0.53
Finance	1768.64	1762.42	1765.05	-1.71
Transp.	901.04	890.93	899.48	+4.31

AMEX

High	Low	Last	Chg.
583.57	581.44	583.55	+1.58

Dow Jones Bond

	Close	Chg.
20 Bonds	102.31	+0.13
10 Utilities	99.18	+0.18
10 Industrials	105.44	+0.08

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
BritPt	118214	142⅝	141½	142	+⅜
PNC	65788	41⅜	41⅛	41⅜	-⅛
PhilMor s	63230	43⅝	42⅝	42⅞	+⅛
Chrysler s	62528	31⅝	31	31⅝	-⅛
BayNtwk	58659	21⅛	19⅞	21½	+1⅝
K mart	55246	14½	13⅞	14⅛	-⅛
AT&T s	54700	33⅞	32⅝	33⅝	+⅛
GenElec s	45748	62	60⅝	62	+1⅛
Micmt	43050	36⅞	35⅛	36⅝	+⅛
WsigEl	42574	17⅛	16½	17⅛	+½
HewlPk s	33398	59	56⅝	58⅞	+2⅜
WalMart	32237	30⅛	29⅞	30⅛	+⅛
BostSc	30986	51⅛	50⅛	50	-⅛
CapCos	28439	37⅛	36⅝	36⅜	-3⅛
TelBrasl	27661	125⅛	121	121	-½

Nasdaq

	Vol.	High	Low	Last	Chg.
Informx	175411	11⅝	9⅝	11⅛	+2⅛
Intel	112956	158⅛	152⅛	158⅛	+5⅛
Volvo rl	110578	⅝	⅝		
Ascend	94943	48⅛	45⅞	47⅞	+2⅞
Cisco	82826	62⅞	61	62⅜	+⅜
FairTch s	70091	22⅛	20⅛	21⅞	+⅛
Oracle	69013	46⅛	44⅞	45⅞	+1⅛
AppldMat	68807	67⅞	62⅞	67⅞	+3⅜
EmphySl s	68323	5⅛	4⅜	4⅜	-1⅛
Gate2000	62798	69	61	68⅞	+7½
Amazon n	59839	30	23⅛	23⅝	
SunMic s	57233	33⅛	31⅛	33	+1⅛
WorldCm s	52718	26⅛	25⅛	26⅛	+½
Microsft s	50040	117⅝	115⅞	117⅛	+1¼
DellCpt s	45286	96⅛	91	96⅛	+4⅝

AMEX

	Vol.	High	Low	Last	Chg.
XCL Ltd	132500	⅜	⅞	¼	-⅟₃₂
Horken	15855	4⅝	4⅛	4⅛	+⅛
SPDR	8474	84⅝	83⅝	84⅝	+⅝
RoyalO g	8207	2⅞	2⅝	2⅝	-⅛
Hasbro s	6073	27⅛	26⅛	26⅞	
DI Ind	5292	2⅞	2⅝	2⅞	+⅛
GaylCn	5162	6⅛	6⅛	6⅛	+⅛
ForstCA s	4957	43⅛	42⅛	43⅛	+1⅛
Nabors	4950	21⅛	20⅞	20⅞	-⅛
IvaxCp	4416	9⅝	9⅜	9⅜	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1307	1490
Declined	1188	1013
Unchanged	860	842
Total issues	3355	3345
New Highs	108	160
New Lows	6	9

Nasdaq

	Noon	Prev.
Advanced	1697	2159
Declined	1572	1866
Unchanged	2154	1709
Total issues	5423	5734
New Highs	58	129
New Lows	83	70

AMEX

	Close	Prev.
Advanced	266	284
Declined	256	251
Unchanged	205	188
Total issues	727	723
New Highs	26	33
New Lows	11	11

Market Sales

	Today 4:00	Prev. cons.
NYSE	458.14	613.35
Amex	28.99	28.42
Nasdaq	574.65	612.48

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Grand Metro PLC		b .5062	7-25	10-10
Santa Isabel SA		b .3372	5-22	—
STOCK SPLIT				
Amber Energy 2 for 1 split.				
Banco SantanderSA 3 for 1 split.				
Gateway 2000 2 for 1 split.				
Raritan Bncp 3 for 2 split.				
REVERSE STOCK SPLIT				
Diversinet Cp 1 for 4 reverse split.				
INCREASED				
Allied Cap Cmmrcl	Q	.52	6-20	6-30
Berkshire RltyCo	Q	.2325	8-1	8-15
Cascade Corp	Q	.10	5-23	6-6
Dow Chemical	Q	.87	6-30	7-30
Power Fncl Cp g	Q	.225	6-30	8-1
Tiffany & Co	Q	.07	6-20	7-10
INITIAL				
Meredith Corp n	—	.065	5-30	6-13
Raritan Bncp n	—	.12	8-15	9-1
REGULAR				
Americana Bncp	Q	.15	6-13	7-3
Ashland Inc	Q	.275	5-29	6-15
Belo AH. A	Q	.11	5-23	6-13
Blair Corp	Q	.15	5-28	6-15
Celanese Cda g	Q	.20	6-20	7-2
Chrysler Corp	Q	.40	6-15	7-15
City Holdings	Q	.18	6-2	6-16
Dominguez Svcs	Q	.325	5-20	6-16
Dresser Indus	Q	.17	6-2	6-20
FirstMerit Corp	Q	.29	5-27	6-16
Green Mtn Power	Q	.53	6-16	6-30
Jefferson Pilot	Q	.40	8-15	9-5
KeyCorp	Q	.42	5-27	6-13
Kinetic Concepts	Q	.0375	5-23	6-6
Leggett & Platt	Q	.13	5-30	6-16
McDonald & Co	Q	.09375	5-21	5-30
Nash Finch	Q	.18	5-23	6-6
PacifiCorp	Q	.27	7-22	8-15
Realty Inco Cp	Q	.1575	6-2	6-16
Regions Fncl	Q	.40	6-16	7-1
SCI Fin LLC A	M	.2604	5-30	6-2
Seafield Capital	Q	.30	5-27	6-3
Southwest Bcshrs	Q	.19	5-27	6-10
Southwest SecsGp	Q	.05	6-13	7-1
Sysco Corp	Q	.15	7-3	7-25
USLife Inco Fd	M	.19	5-20	6-2
Wm Corroon PLC	b	.166	6-6	7-8
Williams Cos	Q	.26	5-30	6-23
Xerox Corp	Q	.32	6-6	7-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

May 15, 1997

	High	Low	Latest	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
May 97	286¼	284¼	284¼	—1	3,675
Jul 97	284	281¼	281¼	—1¼	125,815
Sep 97	269	266¼	267¼	—½	27,597
Dec 97	267	264½	265¼	—½	110,534
Mar 98	272¼	270	270¼	—1	12,217
May 98	276	274¼	274¼	—1½	1,165
Jul 98	280	278	278¼	—1½	2,801
Est. sales N.A. Wed's. sales 63,796					
Wed's open int 287,007 off 204					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
May 97	302.30	298.00	300.30	—2.10	4,293
Jul 97	289.40	283.50	286.70	—2.20	51,627
Aug 97	275.00	269.50	271.90	—2.20	15,845
Sep 97	256.00	252.70	255.00		9,417
Oct 97	237.00	235.50	236.00	+0.20	9,674
Dec 97	229.50	227.00	228.50	+1.30	19,355
Est. sales N.A. Wed's. sales 28,363					
Wed's open int 113,487 off 1529					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
May 97	23.75	23.60	23.65	+0.12	1,316
Jul 97	24.04	23.86	23.88		49,305
Aug 97	24.22	24.05	24.05	—0.03	14,278
Sep 97	24.36	24.19	24.19	—0.03	8,313
Oct 97	24.38	24.25	24.25	—0.02	8,638
Dec 97	24.66	24.49	24.49	—0.05	17,413
Est. sales N.A. Wed's. sales 30,458					
Wed's open int 100,384 up 1559					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
May 97	870	858½	862	—7	2,183
Jul 97	866½	854	857¾	—6¼	99,997
Aug 97	835	824	826½	—6¼	20,491
Sep 97	753½	747	748¾	—1	8,768
Nov 97	708½	700½	705½	+1	48,755
Est. sales N.A. Wed's. sales 68,892					
Wed's open int 185,703 off 14					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
May 97	389	383	383		122
Jul 97	395	385½	388½	+1½	52,343
Sep 97	401½	393	395	+1	12,737
Dec 97	413	404½	407¼	+1	16,886
Est. sales N.A. Wed's. sales 23,720					
Wed's open int 83,574 off 1114					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Jun 97	65.65	65.25	65.50	-0.05	32,602
Aug 97	65.50	65.15	65.40		34,530
Oct 97	69.12	68.82	69.07	+0.12	16,628
Dec 97	71.00	70.70	70.97	+0.15	9,358
Feb 98	71.25	71.07	71.22	+0.15	5,095
Apr 98	72.95	72.77	72.92	-0.07	1,576
Est. sales 10,893 Wed's. sales 12,484					
Wed's open int 99,789 up 605					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
May 97	77.17	76.60	77.15	+0.60	3,039
Aug 97	77.50	76.90	77.40	+0.25	10,359
Sep 97	77.15	76.85	77.07	+0.17	1,980
Oct 97	77.25	76.90	77.17	+0.12	3,008
Nov 97	78.80	78.30	78.67	+0.22	1,641
Jan 98	79.65	79.32	79.52	+0.10	384
Est. sales 1,834 Wed's. sales 2,585					
Wed's open int 20,535 off 180					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Jun 97	83.55	82.25	82.32	—1.15	16,041
Jul 97	84.40	83.47	83.52	—0.60	9,610
Aug 97	81.97	80.95	81.00	—0.57	7,323
Oct 97	74.65	73.85	73.92	—0.75	5,378
Dec 97	72.00	71.50	71.70	—0.40	3,578
Est. sales 12,609 Wed's. sales 12,792					
Wed's open int 44,407 up 487					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
May 97	90.30	87.32	90.20	+2.82	356
Jul 97	92.02	88.75	92.02	+3.00	6,810
Aug 97	90.82	88.15	90.82	+3.80	1,704
Est. sales 4,037 Wed's. sales 3,317					
Wed's open int 9,238 up 116					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Jul 97	1482	1423	1481	+59	30,743
Sep 97	1508	1452	1507	+54	13,398
Dec 97	1537	1484	1537	+53	17,911
Mar 98	1561	1509	1561	+53	20,450
May 98			1417	—97	8,619
Jul 98			1403	+57	450
Est. sales N.A. Wed's. sales 4,331					
Wed's open int 91,403 off 916					
COFFEE C (NCSE) 37,500 lbs.- cents per lb					
May 97	279.00	260.00	277.05	+15.55	222
Jul 97	262.00	238.00	255.20	+14.60	15,902
Sep 97	228.00	213.00	227.15	+11.65	7,468
Dec 97	202.20	189.50	202.20	+10.25	4,731
Mar 98	187.20	176.00	187.20	+9.55	1,987
Est. sales N.A. Wed's. sales 12,649					
Wed's open int 30,802 off 149					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Jul 97	11.08	10.98	11.01	—0.04	74,770
Oct 97	10.88	10.80	10.81	—0.04	41,013
Mar 98	10.77	10.72	10.74	—0.02	24,181
May 98			10.65	—0.03	5,901
Est. sales N.A. Wed's. sales 11,527					
Wed's open int 149,357 up 600					

	High	Low	Latest	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 97	84.35	80.50	81.90	+1.40	16,868
Sep 97	86.00	82.80	83.80	+1.00	6,501
Nov 97	87.50	85.00	86.00	+1.20	3,228
Jan 98	89.50	87.50	88.25	+1.20	1,552
Est. sales N.A. Wed's. sales 1,742					
Wed's open int 29,398 off 290					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
May 97			347.40	+0.20	1
Jun 97	349.80	346.70	348.40	+0.20	63,130
Jul 97			349.80	+0.20	
Aug 97	352.20	349.50	351.20	+0.20	20,148
Oct 97	354.00	352.50	354.00	+0.20	6,724
Dec 97	358.10	355.20	356.80	+0.20	22,540
Feb 98			359.60	+0.20	4,691
Apr 98			362.20	+0.20	3,751
Jun 98			365.00	+0.20	6,799
Est. sales N.A. Wed's. sales 21,257					
Wed's open int 158,150 off 4378					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
May 97	117.40	114.25	117.00	+3.00	2,374
Jun 97	117.10	114.50	117.00	+2.90	3,116
Jul 97	117.10	113.70	116.40	+2.60	29,748
Aug 97	114.00	113.00	114.00	+2.35	1,665
Sep 97	112.20	110.50	111.70	+1.80	5,847
Oct 97	110.10	109.30	110.10	+1.70	1,017
Nov 97	108.20	107.50	108.20	+1.40	1,170
Dec 97	107.50	106.30	106.80	+1.20	6,555
Jan 98	105.60	105.00	105.00	+1.10	502
Est. sales N.A. Wed's. sales 7,946					
Wed's open int 56,573 up 792					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
May 97	482.50	482.00	482.30	+2.10	117
Jun 97			483.50	+2.00	82
Jul 97	487.00	483.50	485.80	+2.00	55,871
Sep 97	492.00	489.00	490.80	+2.10	5,550
Dec 97	500.00	496.00	498.10	+2.00	7,468
Jan 98			500.40	+2.00	17
Mar 98	506.80	504.50	505.80	+2.00	7,318
May 98			510.90	+2.00	2,706
Est. sales N.A. Wed's. sales 6,662					
Wed's open int 84,932 off 395					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 97	396.80	392.00	393.90	+0.10	14,481
Oct 97	397.00	393.50	394.80		3,486
Jan 98			397.00		1,162
Est. sales N.A. Wed's. sales 1,867					
Wed's open int 19,343 up 228					
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Jun 97	94.75	94.72	94.74		5,846
Sep 97	94.55	94.48	94.53	+0.02	4,557
Dec 97			94.48		847
Est. sales N.A. Wed's. sales 411					
Wed's open int 10,403 off 28					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Jun 97	105-36	105-02	105-33	+ 03	219,420
Sep 97	105-22	105-07	105-21	+ 03	11,428
Dec 97	105-05	104-54	105-05	+ 05	71
Est. sales N.A. Wed's. sales 37,165					
Wed's open int 230,919 up 1933					
10 YR. TREASURY (CBOT) $100,000 prin - pts & 32nds of 100 pct					
Jun 97	107-17	106-25	107-14	+ 02	304,856
Sep 97	107-01	106-15	107-00	+ 03	47,125
Dec 97	106-21	106-20	106-20	+ 03	1,935
Est. sales N.A. Wed's. sales 83,492					
Wed's open int 353,916 up 4785					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Jun 97	110-13	109-12	110-10	+ 05	508,937
Sep 97	110-00	109-01	109-30	+ 05	67,431
Dec 97	109-17	108-26	109-17	+ 05	22,381
Mar 98			109-07	+ 05	2,063
Est. sales N.A. Wed's. sales 460,013					
Wed's open int 602,440 up 23679					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
May 97	94.31	94.28	94.30		22,512
Jun 97	94.23	94.20	94.23	+0.01	12,494
Jul 97	94.17	94.14	94.16		5,957
Est. sales N.A. Wed's. sales 4,164					
Wed's open int 47,320 up 852					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun97	114-16	113-28	114-14	— 0-03	228,967
Sep97	114-25	114-10	114-24	— 0-03	8,365
Est. sales: 91,915. Prev. sales: 75,810					
Prev. open int.: 237,332 up 4,878					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Jun97	102.50	102.10	102.37	— 0.13	269,464
Sep97	101.47	101.15	101.37	— 0.14	78,590
Est. sales: 189,457. Prev. sales: 196,403					
Prev. open int.: 298,054 up 3,745					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 97	130.64	130.20	130.26	— 0.38	165,835
Sep 97	129.06	128.66	128.70	— 0.34	12,896
Dec 97	98.44	98.44	98.12	— 0.34	0
Est. volume: 171,050. Open int.: 178,731 off 669.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Jun97	130.54	129.99	130.21	— 0.18	118,049
Sep97	130.99	130.55	130.70	— 0.16	7,584
Est. sales: 66,066. Prev. sales: 76,390					
Prev. open int.: 125,633 up 3,515					

	High	Low	Latest	Chge	OpInt
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
May 97	94.18	94.15	94.17		40,597
Jun 97	94.12	94.06	94.10		474,321
Jul 97	94.04	94.00	94.03		8,746
Sep 97	93.98	93.86	93.92	+0.01	437,750
Dec 97	93.72	93.64	93.71	+0.01	333,194
Mar 98	93.63	93.54	93.62	+0.02	245,180
Jun 98	93.51	93.41	93.50	+0.02	228,046
Sep 98	93.42	93.34	93.41	+0.02	170,798
Dec 98	93.31	93.24	93.30	+0.01	124,683
Mar 99	93.30	93.23	93.29	+0.01	98,128
Jun 99	93.26	93.19	93.25	+0.01	80,123
Sep 99	93.22	93.15	93.21	+0.01	64,992
Est. sales N.A. Wed's. sales 447,784					
Wed's open int 2,681,926 up 15465					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 97	1.6480	1.6360	1.6434		37,883
Sep 97	1.6430	1.6342	1.6410		1,211
Dec 97			1.6382		110
Est. sales N.A. Wed's. sales 11,327					
Wed's open int 39,204 up 1741					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Jun 97	.7303	.7208	.7301		68,262
Sep 97	.7350	.7258	.7349		6,848
Dec 97	.7385	.7324	.7383		1,468
Est. sales N.A. Wed's. sales 6,879					
Wed's open int 77,556 up 726					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 97	.5949	.5890	.5905		78,328
Sep 97	.5972	.5933	.5945		3,638
Dec 97	.5988	.5976	.5986		481
Est. sales N.A. Wed's. sales 21,588					
Wed's open int 82,569 off 415					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 97	.8760	.8550	.8665		81,380
Sep 97	.8850	.8677	.8781		2,861
Dec 97	.8935	.8885	.8900		782
Est. sales N.A. Wed's. sales 31,245					
Wed's open int 85,033 up 3359					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 97	.7055	.6972	.7019		43,482
Sep 97	.7116	.7045	.7091		2,503
Dec 97	.7115	.7115	.7166		422
Est. sales N.A. Wed's. sales 20,467					
Wed's open int 46,457 up 2000					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Jun 97	.12520	.12470	.12512		17,401
Sep 97	.12052	.12020	.12052		9,881
Dec 97	.11610	.11585	.11610		6,533
Est. sales N.A. Wed's. sales 4,970					
Wed's open int 35,415 off 326					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun97	93.49	93.46	93.48	Unch.	116,909
Sep97	93.28	93.23	93.27	+ 0.02	109,532
Dec97	93.12	93.06	93.10	+ 0.02	95,795
Mar98	93.00	92.94	92.99	+ 0.01	61,060
Jun98	92.93	92.87	92.92	Unch.	42,977
Sep98	92.88	92.81	92.88	+ 0.01	32,711
Dec98	92.84	92.78	92.84	+ 0.01	25,880
Mar99	92.81	92.77	92.82	+ 0.01	18,476
Est. sales: 64,961. Prev. sales: 103,667					
Prev. open int.: 532,840 up 7,702					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
May97	96.83	96.80	96.82	— 0.01	5,819
Jun97	96.81	96.80	96.80	— 0.01	229,790
Jul97	N.T.	N.T.	96.79	— 0.01	1,424
Sep97	96.77	96.74	96.76	Unch.	208,329
Dec97	96.66	96.60	96.64	— 0.01	228,795
Mar98	96.56	96.49	96.52	— 0.02	195,538
Jun98	96.39	96.33	96.36	— 0.02	149,966
Sep98	96.20	96.14	96.16	— 0.03	119,248
Dec98	95.96	95.90	95.92	— 0.03	81,529
Mar99	95.73	95.67	95.69	— 0.04	68,144
Est. sales: 154,208. Prev. sales: 123,430					
Prev. open int.: 1,415,656 up 7,036					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 97	96.55	96.45	96.49	— 0.07	47,564
Sep 97	96.60	96.51	96.53	— 0.07	54,875
Dec 97	96.56	96.49	96.51	— 0.05	35,126
Mar 98	96.49	96.43	96.45	— 0.05	28,711
Jun 98	96.38	96.33	96.34	— 0.05	23,753
Sep 98	96.23	96.19	96.19	— 0.04	21,195
Dec 98	96.02	95.98	95.98	— 0.04	14,999
Mar 99	95.81	95.76	95.77	— 0.03	13,942
Jun 99	95.58	95.56	95.56	— 0.02	6,849
Sep 99	95.36	95.32	95.32	— 0.03	4,896
Est. volume: 80,275. Open int.: 259,989 off 8,393.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun97	93.35	93.26	93.30	— 0.03	108,705
Sep97	93.68	93.61	93.63	— 0.04	88,484
Dec97	93.83	93.76	93.78	— 0.03	52,216
Mar98	93.90	93.83	93.85	— 0.03	34,742
Jun98	93.89	93.82	93.84	— 0.02	26,084
Sep98	93.85	93.80	93.80	— 0.02	8,321
Dec98	93.78	93.73	93.73	— 0.03	1,847
Mar99	93.68	93.64	93.66	— 0.02	1,316
Est. sales: 50,942. Prev. sales: 74,344					
Prev. open int.: 322,635 up 4,555					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Jul 97	73.20	72.60	73.16	+0.86	38,090
Oct 97	74.50	73.95	74.45	+0.74	3,522
Dec 97	75.20	74.75	75.16	+0.55	25,279
Mar 98	76.40	76.05	76.40	+0.60	3,524
May 98			76.99	+0.49	911
Est. sales N.A. Wed's. sales 3,918					
Wed's open int 73,417 off 710					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jun 97	57.00	55.90	56.48	+0.06	28,790
Jul 97	57.20	56.25	56.63		31,771

	High	Low	Latest	Chge	OpInt
Aug 97	57.50	56.85	57.03		17,188
Sep 97	58.30	57.40	57.63		9,659
Oct 97	58.40	58.10	58.28		8,264
Nov 97	59.15	58.90	58.93		7,255
Dec 97	59.75	59.40	59.53		12,645
Jan 98	60.15	59.70	59.88		8,146
Feb 98	59.80	59.40	59.48		3,708
Est. sales N.A. Wed's. sales 23,010					
Wed's open int 137,180 off 96					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jun 97	21.48	21.18	21.28	—0.11	52,417
Jul 97	21.44	21.15	21.26	—0.03	85,212
Aug 97	21.31	21.03	21.16		36,990
Sep 97	21.21	20.94	21.10	+0.06	22,046
Oct 97	21.07	20.82	20.97	+0.03	16,026
Nov 97	20.96	20.76	20.85	—0.01	15,468
Dec 97	20.86	20.65	20.76	—0.03	34,509
Jan 98	20.78	20.61	20.73	—0.01	15,260
Feb 98	20.74	20.70	20.74	+0.05	7,422
Mar 98	20.58	20.58	20.58	—0.05	4,314
Est. sales N.A. Wed's. sales 119,444					
Wed's open int 401,368 off 17					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jun 97	2.300	2.175	2.195		33,182
Jul 97	2.275	2.180	2.200		28,824
Aug 97	2.265	2.180	2.200		19,061
Sep 97	2.235	2.160	2.180		15,598
Oct 97	2.232	2.170	2.175		17,753
Nov 97	2.320	2.265	2.285		8,023
Dec 97	2.450	2.390	2.405		12,962
Jan 98	2.498	2.435	2.445		11,573
Feb 98	2.390	2.355	2.365		8,243
Mar 98	2.255	2.230	2.240		6,407
Est. sales N.A. Wed's. sales 34,058					
Wed's open int 206,633 up 1018					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jun 97	64.50	63.75	64.04	—0.34	38,004
Jul 97	63.55	62.90	63.11	—0.25	27,593
Aug 97	62.50	62.00	62.12	—0.24	9,945
Sep 97	61.40	60.80	61.02	—0.24	4,248
Oct 97	59.30	59.02	59.02	—0.25	3,056
Nov 97	58.65	58.27	58.27	—0.25	1,847
Dec 97	58.25	57.92	57.92	—0.25	4,071
Est. sales N.A. Wed's. sales 30,274					
Wed's open int 97,375 off 1348					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jun 97	173.25	171.00	172.00	+1.25	25,469
Jul 97	174.75	172.50	173.75	+1.75	9,927
Aug 97	176.25	174.25	175.75	+2.00	7,632
Sept 97	177.75	176.25	177.50	+2.00	3,435
Oct 97	179.50	178.75	179.25	+2.00	4,037
Nov 97	181.00	180.75	180.50	+2.00	1,657
Dec 97	182.00	180.00	181.25	+2.00	7,632
Est. sales: 10,711. Open int.: 64,144 up 1,817					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
June 97	19.60	19.33	19.44	—0.07	12,541
July 97	19.63	19.33	19.49	—0.05	84,730
Aug 97	19.64	19.38	19.50	Unch.	25,769
Sep 97	19.64	19.40	19.50	+0.03	11,346
Oct 97	19.61	19.40	19.48	+0.03	6,969
Nov97	19.60	19.51	19.48	+0.04	5,942
Dec97	19.57	19.40	19.47	+0.04	10,872
Jan98	19.50	19.40	19.41	+0.02	6,888
Feb98	19.28	19.27	19.35	+0.01	3,302
Mar98	19.27	19.27	19.29	Unch.	1,638
Est. sales: 46,439 Open Int: 170,688 off 1,316					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Jun 97	843.50	836.10	843.50	+3.55	183,023
Sep 97	851.40	845.30	850.20	+1.60	8,870
Dec 97			858.00		3,324
Est. sales N.A. Wed's. sales 77,437					
Wed's open int 196,076 off 949					
FTSE 100 (LIFFE) £25 per index point					
Jun97	4698.0	4690.0	4695.0	— 12.0	70,908
Sep97	4730.0	4711.5	4727.0	— 11.5	4,130
Dec97	N.T	N.T	4771.5	— 12.0	320
Est. sales: 14,428. Prev. sales: 19,067					
Prev. open int.: 75,366 off 1,409					
CAC 40 (MATIF) FF200 per index point					
May 97	2777.0	2750.0	2769.0	+5.00	23,342
Jun 97	2746.0	2725.5	2744.5	+5.00	27,006
Jul 97	2738.0	2726.5	2743.5	+5.00	731
Sep 97	2763.0	2739.0	2758.0	+4.50	11,312
Dec 97	N.T.	N.T.	2778.0	+4.50	451
Mar 98	N.T.	N.T.	2801.5	+5.00	7,934
Est. volume: 16,077. Open int.: 72,021 up 1,893.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,604.60
Reuters	1,997.40	1,991.30
D.J. Futures	164.69	163.16
CRB	252.80	251.38

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

See our **Education Directory** every Tuesday

Britain ... Over 'W...

Luxembourg Denies Money Laundering

WORLD STOCK MARKETS

Thursday, May 15

EUROPE

Britain Faces Suits Over 'Windfall' Tax

Compiled by Our Staff From Dispatches

LONDON — British Telecommunications PLC and the airport operator BAA PLC threatened the government with legal action Thursday if they were included in a planned "windfall" tax on former state utilities.

They also lashed out at Gordon Brown's handling of the issue, saying the new chancellor of the Exchequer's *refusal to be specific* about which companies might face the tax had undermined the confidence of their shareholders.

"Frankly, the way we have been allowed to be included in speculation about the tax is unfair and verges on irresponsibility," Des Wilson, BAA's director of corporate affairs, said.

The dispute has been brewing since at least 1993, when the Labour Party, then in opposition, pledged to enact a one-time tax on "excess" profits of utilities it said had been sold too cheaply by the Conservative government.

The size and extent of the tax, intended to pay for a job-training program, could be unveiled June 10, when Mr. Brown is expected to introduce his first budget. The Labour Party wrested power from the Conservatives in the May 1 general election after 18 years out of power.

Analysts expect a tax of as much as £5 billion ($8.25 billion) on 10 former state-owned water companies, 12 regional electricity distributors and five power generators.

Newspaper reports have said the tax could also include British Telecom and BAA, which operates seven British airports including Heathrow, near London. Both are former government-owned companies, and both say they are neither utilities nor monopolies.

"If we are stung in a big way for this tax, and if it can be challenged legally, then we owe it to our shareholders to challenge it," Sir Iain Vallance, chairman of BT, said. But he said BT would be "very sad to start a partnership with Labour on that footing."

For its part, BAA said it had sought legal advice and told the Treasury it did not expect to be included in the tax.

"This has for months surrounded the company with uncertainties and inevitably affected shareholder confidence," Mr. Wilson said.

Separately, BT said its pretax profit rose to a record £3.2 billion in the year ended March 31 from £3.02 billion the year before, helped by an increase in sales to £14.9 billion from £14.5 billion.

BT spent £367 million on costs associated with cutting staff, down from £421 million a year earlier.

The company said sales from international calls also fell as a result of price cuts and the strengthening of the pound, and BT said it continued to lose 50,000 customers a month to cable-television companies.

BT is transforming itself into a global telephone company by taking over MCI Communications Corp. in a $21 billion deal that is to create a company called Concert PLC. *(Bloomberg, AFP)*

Luxembourg Denies Money Laundering

Bloomberg News

BRUSSELS — Luxembourg denied in an unusually harsh statement Thursday that it was a haven for money launderers.

"Luxembourg money laundering legislation is one of the strictest in Europe, and is set to become even stricter," statement said.

The statement was in reaction to Belgian press reports about money laundering in Luxembourg. Earlier this month, the Belgian newsletter Faxtuel said that foreign leaders, political parties and private individuals were laundering money through Luxembourg bank accounts.

A Belgian Justice Ministry spokesman said this month that investigations were under way into possible money laundering and tax-evasion schemes in Luxembourg by Belgian nationals.

"Instead of accusing without rhyme or reason the Luxembourg financial market and its legal system, some people better clean up their own act," the Luxembourg statement said.

Speedup for Conversion to Euro?

Currency Could Be Issued a Few Months Early, Official Says

Compiled by Our Staff From Dispatches

BRUSSELS — The European Union's commissioner for economic and monetary affairs said Thursday that the EU should introduce single-currency banknotes and coins sooner than originally planned.

Speaking at a conference called to discuss the practical aspects of the single currency, Yves-Thibault de Silguy said euro banknotes and coins could be minted and distributed by the autumn of 2001. National currencies could be withdrawn from circulation within a matter of weeks, instead of over six months as is now planned.

Mr. de Silguy's comments underlined the growing confidence in Brussels that the move toward a single currency is irreversible, despite worries in Germany and elsewhere about the difficulties of getting national economies in order.

The current scenario calls for the euro to be introduced in qualifying EU countries on Jan. 1, 1999, but only as a unit used by banks and other financial institutions.

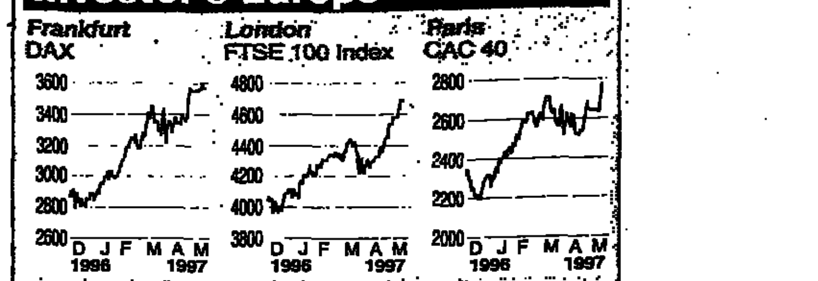
Coins and notes have been scheduled to be issued on Jan. 1, 2002, with national currencies remaining as legal tender for six months alongside the euro.

But Mr. de Silguy, reflecting the concern of consumer and retail groups that the introduction of a new currency at Christmastime would be chaotic, suggested the new money could be put into circulation as early as the autumn of 2001 and national currencies phased out before mid-2002.

He said preliminary rates at which members of the single currency could exchange their currency for the euro could be issued as early as this autumn, well before a decision on which countries have qualified. While final rates would not be set until Jan. 1, 1999, "we are obviously not going to wait until the very last minute," he said.

He said that the rates would have to be made clear well in advance of the introduction of the euro to avoid money market speculation that could derail the entire project. *(Reuters, AFP, Bloomberg)*

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	795.02	796.86	-0.23
Brussels	BEL-20	2,251.30	2,247.70	+0.16
Frankfurt	DAX	3,562.11	3,573.69	-0.32
Copenhagen	Stock Market	571.98	566.06	+1.05
Helsinki	HEX General	3,044.33	3,032.46	+0.39
Oslo	OBX	607.24	609.71	-0.41
London	FTSE 100	4,681.20	4,686.90	-0.12
Madrid	Stock Exchange	N.A.	546.76	
Milan	MIBTEL	12404	12426	-0.18
Paris	CAC-40	2,776.81	2,774.63	+0.05
Stockholm	SX 16	2,970.20	2,940.99	+0.99
Vienna	ATX	1,249.39	1,261.47	-0.96
Zurich	SPI	3,245.92	3,239.68	+0.19

Source: Telekurs — International Herald Tribune

Gazprom Restructures and Restricts Stock

Agence France-Presse

MOSCOW — The natural-gas monopoly RAO Gazprom unveiled a restructuring plan Thursday that could cut 100,000 jobs, as the government announced that only 9 percent of its shares would be open to foreigners.

The company's chief executive, Rem Vyakhirev, said Gazprom would concentrate on production, transport and sales, shedding its construction, research and agricultural subsidiaries, according to the Interfax news agency.

The changes will cut Gazprom's payroll by 100,000 workers and save the company 2.2 trillion rubles ($382.3 million) in wages a year, Mr. Vyakhirev said. Prime Minister Viktor Chernomyrdin, a former chief executive of Gazprom, said foreign access to shares would be strictly limited.

"Otherwise we will wake up one day and everything around us will be foreign," he said, according to Interfax. The first deputy prime minister and fuel and energy minister, Boris Nemtsov, backed limiting foreign investment in Gazprom, saying this was "important for the security of Russia."

Gazprom, in which the Russian government holds a 40 percent stake, produces 94 percent of Russia's natural gas and 25 percent of world supplies. The government is taking steps to reassert its control of the partly privatized company to try to ensure that reforms aimed at making the energy giant more competitive come to fruition. On Tuesday, Mr. Nemtsov was named chief of a government panel that would seek to press Gazprom to cut gas prices and pay its taxes.

Separately, Mr. Vyakhirev said Turkey was on the verge of becoming Russia's second-biggest gas customer, after Germany. He also said Gazprom was considering building a gas pipeline to Europe through Finland and the Baltic states.

Rising Costs Hold BASF Net Growth to 3%

Bloomberg News

LUDWIGSHAFEN, Germany — BASF AG said Thursday that first-quarter net profit rose 3 percent, to 714 million Deutsche marks ($418.4 million), against the first quarter of 1996 amid higher raw material and personnel costs.

Revenue rose 14 percent, to 13.44 billion DM, with growth strongest in Asia and Africa, where sales grew 22 percent, and North America, also up 22 percent. Sales in Germany rose 11 percent, making up 26 percent of total revenue at 3.52 billion DM.

The No. 2 German chemicals maker predicted that sales and profit growth would not slow and repeated an earlier forecast that full-year sales would top 50 million DM, against 48.78 billion DM last year. Net profit in 1996 was 2.79 billion DM.

BASF said its best-performing businesses were its oil and gas and health and nutrition units. Sales of oil and gas products surged 39 percent, to 1.62 billion DM, while health and nutrition sales increased 18 percent, to 2.86 billion DM.

Costs associated with introducing new products in the United States reduced pharmaceuticals sales.

Personnel costs rose 5.7 percent, BASF said, to 2.59 billion DM.

BASF said favorable exchange rates, especially the resurgence in the value of the dollar, increased first-quarter sales by more than 300 million DM.

BASF shares closed down 3.5 percent, or 2.35 DM, at 65.35 DM in Frankfurt.

Very briefly:

- **De Beers**, which distributes most of the world's diamonds, said **Russia** would probably sign an deal next month for a new marketing agreement. Deputy Prime Minister Anatoli Chubais indicated, however, that Russia would eventually decide to drop De Beers in favor of dealing "freely with the world market."
- **Lonrho PLC and Anglo American Corp.** have pulled out of a plan to develop a gold mine in **Uzbekistan**. Lonrho, which will take a £15 million ($24.6 million) charge related to the project, said costs in the mining-supply industry, gold prices and "local factors" contributed to the decision.
- **Bayerische Motoren Werke AG** said sales in the first five months of 1997 rose an estimated 17 percent, to 24.3 billion Deutsche marks ($14.23 billion).
- ***Rhone-Poulenc SA*** *signed a 500 million franc* ($86.9 million) joint venture deal with **Hangzhou General Pesticide Plant of China.**
- **Aegon NV,** the Dutch insurer, said first-quarter net profit rose 24 percent, to 403.4 million guilders ($210.9 million) as customers put more into savings products and it expanded abroad. *Bloomberg, AFX*

Elf Offices Raided by the Police

Compiled by Our Staff From Dispatches

PARIS — Detectives raided the Paris headquarters of Elf Aquitaine SA on Thursday in connection with a fraud inquiry that is nearly three years old, the oil company said.

The investigating magistrates in the case, Eva Joly and Laurence Vichnievsky, are looking into possible fraud involving covert payments made while Loïk le Floch-Prigent was chairman of Elf from 1988 to 1993. Mr. le Floch-Prigent was released on bail in December after six months in pretrial custody. *(Reuters, Bloomberg)*

WORLD STOCK MARKETS

Thursday, May 15
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 795.02, Previous: 796.86

	High	Low	Close	Prev.
ABN-AMRO	35.90	35.40	35.60	35.70
Aegon	144.30	140.10	143.70	141.60
Ahold	147.10	145.50	146.30	146.90
Akzo Nobel	262	260.60	261.90	262.10
Baan Co.	114.60	108.80	111.20	108.80
Bols Wess cva	37.10	36.70	37	37.30
CSM cva	111.90	107.50	111	107.50
Dordtsche Pet	375.80	372	375	381.60
DSM	194.20	192	194.20	192
Elsevier	33.80	33.40	33.50	33.60
Fortis Amev	76.60	75.40	75.60	76.80
Getronics	63	61.80	62	62.90
G-Broc cva	66.70	66	66	66.70
Hagemeyer	89.30	88	88	88.30
Heineken	338.50	334	334	340.90
Hoogovens cva	88.90	87.50	88.10	88.70
Hunt Douglas	167.20	162.10	165.80	166.50
ING Group	79.90	78.80	79.40	79.50
KLM	59.80	59.40	59.40	60
KNP BT	41.10	40.70	40.70	41.20
KPN	70.40	69.20	69.90	69.90
Nedlloyd Gp	47.90	44.80	47.50	45
Nutricia	299.50	296.50	297.60	296.50
Oce Grinten	244.20	242	244.20	244
Philips Elec	109.10	107	109.10	109
Polygram	96	94.90	95.70	96.50
Randstad Hdg	181	178	179	179.80
Robeco	170.60	169.20	169.60	170.80
Rodamco	60.90	60.10	60.20	60.70
Rolinco	173.60	172.80	173.20	173.80
Rorento	110.30	110	110.10	109.80
Royal Dutch	361.70	358.50	361.70	366.50
Unilever cva	388.60	385.50	387.90	387.70
Vendex Intl	103.40	101.20	101.20	102.10
VNU	41.40	40.30	41.20	41
Wolters Kl cva	239.50	236.10	237.60	238.80

Bangkok — SET index: 557.87, Previous: 571.38

	High	Low	Close	Prev.
Adv Info Svc	161	151	161	155
Bangkok Bk F	210	195	195	216
Krung Thai Bk	26	24.50	25.25	25
PTT Explor	312	300	310	310
Siam Cement F	556	504	522	556
Siam Com Bk F	130	126	130	135
Telecomasia	29.25	26	29	27.75
Thai Airways	37.50	35	37	38
Thai Farm Bk F	121	110	115	130
Utd Comm	139	128	130	142

Bombay — Sensex 30 index: 3741.22, Previous: 3740.53

	High	Low	Close	Prev.
Bajaj Auto	920	881	885.75	915.25
Hindust Lever	1064	1049	1056.75	1072.25
Hindust Petlm	429.25	417	426.50	421.50
Ind Dev Bk	88.50	87.50	88.25	88.75
ITC	427.50	404.50	421.25	408.25
Mahanagar Tel	284	278	281	280.25
Reliance Ind	296.25	293.25	293.50	296.25
State Bk India	307.75	301	303	304.25
Steel Authority	20.75	20.25	20.50	20
Tata Eng Loco	384	375.25	380	380

Brussels — BEL-20 index: 2251.30, Previous: 2247.70

	High	Low	Close	Prev.
Almanij	15350	15100	15150	15350
Barco Ind	6640	6520	6540	6600
BBL	8950	8890	8930	8910
CBR	3490	3465	3465	3465
Colruyt	14375	14200	14275	14225
Delhaize Lion	1835	1815	1825	1820
Electrabel	8260	8240	8250	8240
Electrafina	3600	3580	3580	3595
Fortis AG	6460	6380	6460	6430
Gevaert	2900	2830	2895	2830
GBL	5700	5640	5690	5750
Gen Banque	14325	14250	14300	14250
Kredietbank	13675	13550	13600	13675
Petrofina	12975	12875	12975	12925
Powerfin	5080	5040	5070	5060
Royale Belge	9680	9570	9670	9600
Soc Gen Belg	3265	3250	3250	3255
Solvay	21375	21200	21375	21125
Tractebel	15375	15325	15350	15325
UCB	96750	96100	96200	96300

Copenhagen — Stock index: 571.98, Previous: 566.86

	High	Low	Close	Prev.
BG Bank	319	313	314	315
Carlsberg B	402	396	396	400
Codan Fors	885	880	885	880
Danisco	399	394	394.60	397
Den Danske Bk	620	611	620	613
D/S Svendbrg B	333000	326000	329333	320000
D/S 1912 B	235000	229000	234000	227000
FLS Ind B	1072.67	1056	1070	1056
Kob Lufthavne	706	689	705	695
Nvo Nordisk B	720	705	718	703
Sophus Ber B	875	862	873	860
Tele Danmk B	331	328	329.50	327.50
Tryg Baltica	361	354	356	360
Unidanmark A	354	350	353	350

Frankfurt — DAX: 3562.11, Previous: 3573.69

	High	Low	Close	Prev.
AMB B	1267.50	1267.50	1267.50	1260
Adidas	185.50	182	182	182.50
Allianz Hdg	352.80	350.50	352.50	352.20
Altana	1371	1361	1371	1360
Bk Berlin	38.90	38.20	38.20	37.90
BASF	67.30	65.90	67.28	67.45
Bayer Hypo Bk	56	55.80	55.85	56.10
Bay.Vereinsbank	72.70	72.20	72.45	73.20
Bayer	65.70	65	65.20	64.95
Beiersdorf	90.30	89.30	89.60	88.50
Bewag	43.85	43.20	43.20	44
BMW	1468	1420	1430	1465
CKAG Colonia	173	169	173	171
Commerzbank	48.10	47.90	48	48
Daimler Benz	134.60	133.90	134.20	134.30
Degussa	76.50	75.50	75.50	77.50
Deutsche Bank	97.10	96.60	96.90	97.45
Deut Telekom	39.70	39.10	39.32	39.20
Dresdner Bank	58.80	58.40	58.40	59.15
Fresenius	363	358	359	366
Fresenius Med	151.50	149.50	149.50	150.30
Fried. Krupp	323	320	320	322
Gehe	117.40	115.50	115.50	118.25
Heidelbg Zmt	158.80	157	157	153
Henkel pfd	94	93.50	94	93.90
HEW	487	487	487	487
Hochtief	77.50	75.80	77.50	74
Hoechst	66	65.25	65.85	65.70
Karstadt	547	536	545	537.50
Lahmeyer	78	75	76	77
Linde	1270	1240	1270	1259
Lufthansa	28.75	28.60	28.70	28.20
MAN	510.50	506	507	520
Mannesmann	713	706.50	710	711
Metallgesellschaft	36.05	36	36	36.30
Metro	165.60	165	165.25	166.50
Munch Rueck R	4410	4370	4385	4390
Preussag	459.40	452	453.50	450
RWE	74.30	73.85	74.10	74.55
SAP pfd	321.50	317	318.60	323.70
Schering	176	174	175.80	175.30
SGL Carbon	236	235	235.50	235.20
Siemens	98.80	98.10	98.10	99.79
Springer (Axel)	1540	1540	1540	1540
Suedzucker	950	935	940	939
Thyssen	384	380	383.50	376.50
Veba	100.20	98.60	99.60	98.85
VEW	505	505	505	518
Viag	776	770.50	771	779.50
Volkswagen	1154	1145	1149	1153

Helsinki — HEX General index: 3044.33, Previous: 3032.46

	High	Low	Close	Prev.
Enso A	45.70	45.50	45.70	45.70
Huhtamaki I	240	239	240	245
Kemira	51	49.80	49.80	50
Kesko	74.50	72.60	73	73.70
Merita A	18	17.70	17.90	17.70
Metra B	143	140.10	140.50	141
Metso-Serlo B	42	41	41	41.50
Neste	140	138	139	140
Nokia A	339.50	333.50	337	334
Orion-Yhtymae	203	201	201	202
Outokumpu A	102	99.70	101.50	99.50
UPM Kymmene	122.90	121.80	122.40	122.50
Valmet	87	86.20	86.20	87

Hong Kong — Hang Seng: 14041.90, Previous: 14153.80

	High	Low	Close	Prev.
Amoy Props	8.55	8.35	8.40	8.40
Bk East Asia	28.60	28	28.20	28.50
Cathay Pacific	12.15	11.75	11.75	12.10
Cheung Kong	77	75.50	76.50	76
CK Infrastruct	22.80	22.40	22.50	22.40
China Light	37.60	36.50	36.90	37.20
Citic Pacific	44.20	42.70	42.90	44.20
Dao Heng Bk	39.40	38.70	38.70	39.30
First Pacific	9.70	9.50	9.55	9.55
Hang Lung Dev	14.90	14.50	14.55	14.80
Hang Seng Bk	94.50	92.75	94	94
Henderson Inv	8.95	8.60	8.65	9
Henderson Ld	72.50	70.75	71.75	71.25
HK China Gas	12.65	12.50	12.50	12.60
HK Electric	28.20	27.55	27.80	28.35
HK Telecomm	15.60	15.20	15.50	15.45
Hopewell Hdgs	4.20	4	4.03	4.18
HSBC Hdgs	222	215	218	223
Hutchison Wh	62.75	61	62	62.25
Hysan Dev	23.65	23.20	23.45	23.20
Johnson El Hdg	24.80	23.80	24.30	23.30
Kerry Props	18.70	18.45	18.55	18.65
New World Dev	49.50	48.70	48.80	49.10
Oriental Press	2.68	2.55	2.60	2.60
Pearl Oriental	3.18	3.10	3.13	3.13
SHK Props	94	92.75	93.75	92.75
Shun Tak Hdgs	4.90	4.83	4.83	4.90
Sino Land Co.	8.35	8.20	8.25	8.35
Sth China Post	7.10	7	7.05	7.05
Swire Pac A	62	60.75	61.50	61.25
Wharf Hdgs	31.50	30.80	31	31.40
Wheelock	18.70	18.25	18.30	18.50

Jakarta — Composite index: 656.99, Previous: 670.59

	High	Low	Close	Prev.
Astra Intl	6150	6000	6150	6150
Bk Intl Indon	1850	1750	1750	1875
Bk Negara	1500	1450	1475	1525
Gudang Garm	10200	9750	9775	10250
Indocement	3050	3000	3050	3100
Indofood	5000	4950	5000	5000
Indosat	7100	6900	6925	7200
Sampoerna HM	10150	9925	9950	10150
Semen Gresik	5900	5800	5875	5900
Telekomunikasi	3775	3650	3675	3775

Johannesburg — All Market: 7173.08, Previous: 7214.48

	High	Low	Close	Prev.
Amalgamtd Bks	29.85	29.25	29.25	29.90
AngloAm Coal	310	308	308	309
AngloAm Corp	279	272.50	273	279.50
AngloAm Gold	319	318	318	318.50
AngloAm Ind	195	191	191	196.50
AVMIN	16.60	16.50	16.50	16.50
Barlow	49	48.95	49	49
C.G. Smith	25.25	25.05	25.25	25.30
De Beers	160.75	159.25	159.25	160.50
Driefontein	42.25	41.25	41.60	40.75
Fst Natl Bk	35.50	34.10	35	34.05
Gencor	18.90	18.65	18.65	18.90
GFSA	120	118	118	109.75
Imperial Hdgs	58.75	58.50	58.75	59
Ingwe Coal	30.25	29.50	29.50	29.65
Iscor	3.17	3.13	3.16	3.17
Johnnies Indl	58.50	58.25	58.25	58.75
Liberty Hdgs	344	342.50	342.50	341
Liberty Life	130	129.50	129.75	129.50
LibLife Strat	17.75	17.50	17.75	17.75
Minorco	100	99.50	99.75	100.50
Nampak	17.50	17.25	17.35	17.60
Nedcor	91.50	91.50	91.50	91.75
Rembrandt Gp	49.30	49	49.25	49.25
Richemont	64	63.50	63.75	64.75
Rust Platinum	74	73	73	75
SA Breweries	130.25	128.75	128.75	130.25
Samancor	47.25	47	47	47.50
Sasol	53.75	53.25	53.50	54
SBIC	216.50	215	215	217
Tiger Oats	75.75	75.25	75.75	75.50

Kuala Lumpur — Composite: 1041.27, Previous: 1072.49

	High	Low	Close	Prev.
AMMB Hdgs	16.10	15.50	16	16.20
Genting	13.70	12.90	13	13.80
Mal Banking	25.25	24.60	25	25.25
Mal Intl Ship F	5.55	5.40	5.55	5.50
Petronas Gas	8.55	8.35	8.50	8.55
Proton	12.90	11.50	11.80	12.90
Public Bk	4.44	4.16	4.30	4.44
Renong	3.28	3.08	3.14	3.28
Resorts World	8.75	8.30	8.55	8.70
Rothmans PM	24.20	23	23.20	24
Sime Darby	8.10	7.60	7.75	8.10
Telekom Mal	17.20	16.40	17	17.30
Tenaga	11.70	10.90	11.30	11.70
Utd Engineers	18	16.90	17.10	18
YTL	9.70	9.55	9.60	9.70

London — FT-SE 100: 4681.20, Previous: 4686.90

	High	Low	Close	Prev.
Abbey Natl	9.42	9.13	9.27	9.33
Allied Domecq	4.62	4.53	4.57	4.57
Anglian Water	7.01	6.91	6.97	6.93
Argos	6.10	6	6.05	6
Asda Group	1.20	1.19	1.20	1.19
Assoc Br Foods	5.57	5.52	5.55	5.55
BAA	5.43	5.33	5.39	5.37
Barclays	12.65	12.35	12.44	12.63
Bass	8.30	8.13	8.22	8.16
BAT Ind	5.52	5.43	5.50	5.47
Bank Scotland	4.22	4.13	4.15	4.23
Blue Circle	4.30	4.15	4.16	4.19
BOC Group	10.05	9.84	10	9.87
Boots	7.33	7.23	7.30	7.32
BPB Ind	3.40	3.30	3.32	3.34
Brit Aerosp	13.02	12.83	12.88	12.76
Brit Airways	7.50	7.41	7.46	7.43
BG	1.88	1.80	1.87	1.81
Brit Land	5.97	5.92	5.96	5.92
Brit Petm	7.45	7.11	7.24	7.45
BSkyB	5.72	5.65	5.71	5.66
Brit Steel	1.48	1.46	1.48	1.47
Brit Telecom	4.53	4.46	4.50	4.50
BTR	2.21	2.13	2.20	2.16
Burmah Castrol	10.87	10.37	10.38	10.51
Burton Gp	1.55	1.45	1.45	1.54
Cable Wireless	5.07	4.94	4.98	4.98
Cadbury Schw	5.62	5.50	5.51	5.61
Carlton Comm	5.27	5.21	5.26	5.22
Comml Union	7.35	7.29	7.35	7.37
Compass Gp	6.63	6.54	6.57	6.60
Courtaulds	3.25	3.16	3.25	3.23
Dixons	5.07	4.97	4.97	5.12
Electrocomponents	4.04	3.97	4.02	4
EMI Group	13.08	12.80	12.88	13.01
Energy Group	5.36	5.27	5.32	5.30
Enterprise Oil	6.75	6.66	6.69	6.67
Fora Colonial	1.63	1.62	1.62	1.63
Genl Accident	9.52	9.38	9.43	9.45
GEC	3.66	3.55	3.64	3.72
GKN	9.67	9.25	9.37	9.64
Glaxo Wellcome	12.82	12.50	12.65	12.53
Granada Gp	9.35	9.25	9.34	9.28
Grand Met	5.65	5.58	5.59	5.69
GRE	3.01	2.93	2.96	3
Greenalls Gp	5.10	5.01	5.05	5.07
Guinness	5.73	5.63	5.64	5.76
GUS	6.72	6.33	6.65	6.72
Hays	5.83	5.69	5.83	5.71
HSBC Hldgs	17.90	17.10	17.21	17.54
ICI	7.97	7.84	7.93	7.95
Impl Tobacco	4.09	4.02	4.08	4.04
Kingfisher	7.20	7.10	7.20	7.18
Ladbroke	2.50	2.47	2.48	2.48
Land Sec	8.80	8.66	8.79	8.65
Lasmo	2.42	2.37	2.37	2.44
Legal Genl Grp	4.57	4.42	4.42	4.59
Lloyds TSB Gp	6.12	5.92	6.03	6.11
LucasVarity	2.04	1.99	1.99	2.02
Marks Spencer	5.20	5.06	5.13	5.20
MEPC	5	4.94	4.95	4.93
Mercury Asset	14.30	13.65	13.74	14.40
National Grid	2.44	2.23	2.26	2.29
Natl Power	5.66	5.24	5.63	5.47
NatWest	8.15	8	8.08	8.10
Next	7.35	6.88	6.95	7.08
Orange	2.20	2.15	2.18	2.17
P&O	6.45	6.33	6.44	6.33
Pearson	7.27	6.98	7.12	7.40
Pilkington	1.17	1.13	1.14	1.14
PowerGen	6.83	6.67	6.83	6.75
Premier Farnell	4.73	4.63	4.63	4.65
Prudential	6.80	6.66	6.70	6.73
Railtrack PP	4.37	4.23	4.28	4.36
Rank Group	4.53	4.45	4.49	4.48
Reckitt Colm	9.17	9.05	9.14	9.02
Redland	3.35	3.29	3.31	3.34
Reed Intl	6.21	6.10	6.15	6.17
Rentokil Initial	4.50	4.28	4.39	4.29
Reuters Hdgs	6.82	6.72	6.78	6.81
Rexam	2.92	2.83	2.86	2.86
RMC Group	9.38	9.28	9.28	9.32
Rolls Royce	2.51	2.47	2.48	2.48
Royal Bk Scot	6.57	6.30	6.38	6.57
RTZ reg	10.66	10.18	10.23	10.22
Royal & Sun All	5.10	5	5.06	5.03
Safeway	3.62	3.55	3.62	3.55
Sainsbury	3.82	3.70	3.73	3.80
Schroders	17.53	17.40	17.44	17.45
Scot Newcastle	7.05	7.01	7.05	7.02
Scot Power	4	3.87	3.88	3.97
Securicor	2.98	2.94	2.94	2.97
Severn Trent	7.97	7.93	7.94	7.92
Shell Transp R	11.65	11.47	11.65	11.65
Siebe	9.92	9.86	9.88	9.96
Smith Nephew	1.80	1.76	1.76	1.77
SmithKline	10.74	10.57	10.68	10.49
Smiths Ind	7.78	7.68	7.68	7.77
Smem Elec	4.35	4.25	4.28	4.31
Stagecoach	6.22	6.13	6.17	6.16
Stand Charter	10.06	9.93	10	10.05
Tate & Lyle	4.61	4.58	4.60	4.58
Tesco	3.89	3.86	3.88	3.87
Thames Water	6.88	6.82	6.86	6.85
3i Group	5.08	4.98	5.01	5.07
TI Group	5.69	5.51	5.58	5.63
Tomkins	2.77	2.73	2.74	2.75
Unilever	17.02	16.80	16.97	16.95
Utd Assurance	5.09	5.05	5.08	5.09
Utd News	7.80	7.72	7.77	7.73
Utd Utilities	6.94	6.83	6.83	6.92

Madrid — Bolsa index: 546.76, Previous: 546.76

	High	Low	Close	Prev.
Acerinox	24350	23900	24280	24100
ACESA	1755	1730	1735	1745
Aguas Barcelon	5820	5750	5800	5790
Argentaria	7310	7250	7290	7280
BBV	10500	10390	10490	10500
Banesto	1745	1675	1740	1675
Bankinter	23500	22300	23300	23110
Bca Centro Hisp	5000	4960	5000	5000
Bco Popular	33600	33000	33250	33250
Bco Santander	11850	11780	11780	11780
CEPSA	5150	4910	5150	5050
Continente	2600	2590	2600	2610
Corp Mapfre	7850	7750	7850	7820
Endesa	11270	11140	11160	11270
FECSA	1240	1220	1240	1225
Gas Natural	29000	28600	29000	29020
Iberdrola	1720	1705	1715	1725
Pryca	2745	2680	2730	2715
Repsol	6060	6000	6000	6060
Sevillana Elec	1370	1340	1355	1355
Tabacalera	7180	7050	7130	7050
Telefonica	4075	4015	4075	4060
Union Fenosa	1275	1255	1270	1270
Valenc Cement	2000	1935	1990	1950

Manila — PSE index: 2631.89, Previous: 2705.92

	High	Low	Close	Prev.
Ayala B	17.25	16.75	16.75	17.25
Ayala Land	19.75	19	19	19.75
Bk Philip Isl	145	142	142	143
C&P Homes	10.50	10	10.25	10.50
Manila Elec A	92.50	89	89	92.50
Metro Bank	585	550	560	600
Petron	7.70	7.30	7.40	7.40
PCIBank	287.50	285	285	290
Phil Long Dist	745	730	730	745
San Miguel B	70	69	69	70
SM Prime Hdg	6.80	6.60	6.80	6.80

Mexico — Bolsa index: 3878.54, Previous: 3894.28

	High	Low	Close	Prev.
Alfa A	47.65	47.20	47.30	47.50
Banacci B	17.58	17.44	17.58	17.52
Cemex CPO	28.40	28.00	28.20	28.50
Cifra C	12.48	12.30	12.44	12.38
Emp Moderna	39.50	38.90	39.30	39.20
Gpo Carso A1	46.80	46.30	46.40	46.80
Gpo F Bcomer	1.85	1.82	1.84	1.85
Gpo Fin Inbursa	27.20	27.00	27.20	27.00
Kimb Clark Mex	30.00	29.10	29.20	30.00
Televisa CPO	97.50	96.30	96.30	97.40
TelMex L	17.22	16.98	17.12	17.16

Milan — MIB Telematico: 12404.00, Previous: 12426.00

	High	Low	Close	Prev.
Alleanza Assic	12480	12250	12400	12350
Bca Comm Ital	3910	3795	3835	3795
Bca Fideuram	4630	4530	4600	4610
Bca di Roma	1235	1206	1217	1224
Benetton	23400	22650	22650	23450
Credito Italiano	2695	2595	2690	2610
Edison	8000	7735	7750	8015
ENI	8920	8730	8905	8795
Fiat	5700	5570	5580	5700
Generali Assic	30900	30600	30650	30950
IMI	15800	15550	15800	15750
INA	2325	2295	2325	2325
Italgas	5800	5710	5710	5805
Mediaset	7620	7525	7595	7585
Mediobanca	10310	10150	10170	10150
Montedison	1055	1034	1055	1049
Olivetti	490	477	477	489.50
Parmalat	2650	2605	2640	2645
Pirelli	3900	3850	3895	3890
RAS	14020	13810	13995	13945
Rolo Banca	18450	18150	18230	18070
S Paolo Torino	11100	10750	11000	10800
Stet	8400	8240	8240	8340
Telecom Italia	4695	4630	4635	4680
TIM	5230	5150	5175	5210

Montreal — Industrials index: 3104.22, Previous: 3107.86

	High	Low	Close	Prev.
Bce Mob Com	43.90	43.30	43.90	43.10
Cdn Tire A	25.60	25½	25.55	25.55
Cdn Util A	34.65	34.65	34.65	34½
CT Finl Svc	33.40	33.40	33.40	33.40
Gaz Metro	17.40	17.30	17.40	17.30
Gt-West Lifeco	27¼	26.90	27½	27
Imasco	38.85	38¼	38.85	38¼
Investors Grp	27¼	26.65	27¼	26.60
Loblaw Cos	19¼	18.90	18.90	18.90
Natl Bk Canada	16.30	16.20	16.30	16.35
Power Corp	30.10	29¼	29.95	30
Power Finl	27¼	27¼	27.60	27.85
Quebecor B	25.45	25.30	25.45	25.40
Rogers Comm B	7.70	7.70	7.70	7.85
Royal Bk Cda	59.80	59.35	59.65	59.45

Oslo — OBX index: 607.24, Previous: 609.71

	High	Low	Close	Prev.
Aker A	131.50	129.50	129.50	129
Bergesen Dy A	160	158	159.50	162
Christiania Bk	23.50	22.90	23	23.40
Den norske Bk	26.90	26.70	26.90	27
Elkem	135	131.50	132	134.50
Hafslund A	44.50	44.50	44.50	44
Kvaerner Asa	361	357	358	361
Norsk Hydro	348	344	347	346.50
Norske Skog A	243.50	241	243	243
Nycomed A	99	98	99	99
Orkla Asa A	612	600	603	610
Petlm GeoSvc	292	282	282	293
Saga Petlm A	131.50	129.50	131	130
Schibsted	147	138	140	140
Transocean Off	460	448	450	460
Storebrand Asa	45.40	45.20	45.40	45.40

Paris — CAC-40: 2776.81, Previous: 2774.63

	High	Low	Close	Prev.
Accor	880	863	863	879
AGF	194.90	192.50	193.10	194.30
Air Liquide	922	907	917	927
Alcatel Alsth	686	674	685	689
Axa-UAP	370.60	367.20	369.70	369.60
Bancaire	748	734	747	740
BIC	884	872	879	890
BNP	262	251.20	258.10	262.10
Canal Plus	1105	1090	1098	1095
Carrefour	3868	3790	3800	3860
Casino	275	268.50	273.20	271.50
CCF	282.80	268.10	280.50	274
Cetelem	658	638	643	649
Christian Dior	913	902	913	908
CLF-Dexia Fran	558	538	539	554
Credit Agricole	1300	1268	1268	1300
Danone	923	902	911	918
Elf-Aquitaine	613	595	608	600
Eridania BS	926	893	921	906
Eurodisney	9.50	9.40	9.50	9.50
Eurotunnel	6.55	6.45	6.35	6.50
Gen. Eaux	812	798	806	807
Havas	445.70	436	436.10	446.20
Imetal	805	797	805	800
Lafarge	402.90	395	401	403
Legrand	966	955	963	958
L'Oreal	2160	2141	2154	2161
LVMH	1485	1465	1470	1487
Lyon. Eaux	583	575	581	581
Michelin B	354	348.80	353	354
Paribas A	410	399.10	405.50	406
Pernod Ricard	310.50	304.60	308	313
Peugeot Cit	677	639	673	644
Pinault-Print	2500	2481	2493	2494
Promodes	2148	2040	2117	2075
Renault	154.40	149.20	154	154
Rexel	1640	1591	1640	1600
Rh-Poulenc A	196	193.50	194.50	197.20
Sanofi	565	558	564	564
Schneider	337	333	336.90	334.60
SEB	1029	1010	1025	1028
SGS Thomson	445	439	440.90	434.90
Ste Generale	709	687	705	696
Sodexho	2829	2785	2791	2830
St Gobain	865	846	865	857
Suez	309	304.10	308	306.30
Synthelabo	718	694	705	719
Thomson CSF	194.90	188.40	193.10	191
Total B	567	539	559	542
Usinor	92	90.80	91.80	91.50
Valeo	369	358.50	365.10	368

São Paulo — Bovespa index: 10470.49, Previous: 10282.97

	High	Low	Close	Prev.
Bradesco Pfd	8.93	8.70	8.85	8.10
Brahma Pfd	775.00	750.00	775.00	750.00
Cemig Pfd	47.40	46.70	46.80	46.40
CESP Pfd	55.60	55.00	55.49	54.01
Copel	15.80	15.80	15.80	15.90
Eletrobras	481.00	469.99	479.00	466.80
Itaubanco Pfd	570.00	566.00	569.99	568.00
Light Servicios	495.20	490.01	493.00	490.00
Lightpar	327.00	324.99	327.00	329.99
Petrobras Pfd	232.50	225.00	231.01	227.00
Paulista Luz	163.00	151.50	163.00	157.55
Sid Nacional	36.10	36.00	36.02	36.00
Souza Cruz	9.40	9.35	9.35	9.45
Telebras Pfd	134.00	129.00	132.25	138.00
Telemig	153.00	151.50	152.00	151.00
Telerj	160.00	154.50	155.10	157.00
Telesp Pfd	337.00	327.00	336.00	326.00
Unibanco	38.30	38.00	38.00	38.40
Usiminas Pfd	1.21	1.19	1.19	1.20
CVRD Pfd	24.40	24.00	24.15	23.90

Seoul — Composite index: 699.95, Previous: 683.86

	High	Low	Close	Prev.
Dacom	95000	92100	93900	93000
Daewoo Heavy	6290	5890	6290	5830
Hyundai Eng.	18100	17000	17600	17200
Kia Motors	16000	15500	15600	15500
Korea El Pwr	26400	25600	25800	25700
Korea Exch Bk	5390	4900	5200	5000
Korea Mob Tel	392000	388500	388500	394000
LG Semicon	30800	28900	30700	28600
Pohang Iron St	55800	53100	55000	53700
Samsung Display	43800	41500	43400	41000
Samsung Elec	64200	61900	63600	61800
Shinhan Bank	10500	9900	10100	10000

Singapore — Straits Times: 2049.74, Previous: 2098.36

	High	Low	Close	Prev.
Asia Pac Brew	6.60	6.60	6.60	6.65
Cerebos Pac	8.85	8.75	8.75	8.65
City Devlts	13.50	13	13.30	13.60
Cycle Carriage	14.80	14.30	14.50	14.90
Dairy Farm Int*	0.77	0.76	0.77	0.77
DBS foreign	18.70	17.80	17.90	19
DBS Land	5.10	4.88	4.90	5.20
Fraser & Neave	12.10	11.70	11.80	12
HK Land*	2.52	2.46	2.49	2.52
Jard Mathesn*	6.60	6.40	6.40	6.55
Jard Strategic*	3.62	3.56	3.60	3.60
Keppel	7	6.75	6.95	6.95
Keppel Bank	3.84	3.76	3.78	3.80
Keppel Fels	4.80	4.70	4.72	4.86
Keppel Land	4.20	3.90	3.98	4.10
OCBC foreign	18.70	17.90	17.90	18.90
OS Union Bk F	10.30	9.85	9.90	10.30
Parkway Hdgs	6.35	6.20	6.35	6.35
Sembawang	6.80	6.45	6.60	6.80
Sing Air foreign	13.20	12.90	13.20	13.20
Sing Land	7.05	6.85	6.90	7.05
Sing Press F	29.60	28.50	28.50	29.40
Sing Tech Ind	3.94	3.86	3.94	3.92
Sing Telecomm	2.69	2.53	2.60	2.69
Tat Lee Bank	3.38	3.36	3.36	3.38
Utd Industrial	1.14	1.10	1.12	1.15
Utd O'Sea Bk F	15.60	14.60	14.60	15.50
Wing Tai Hdgs	4.36	4.12	4.12	4.40

*: in U.S. dollars.

Stockholm — SX 16 index: 2970.20, Previous: 2940.99

	High	Low	Close	Prev.
AGA B	103.50	102	103.50	103.50
ABB A	104	101.50	103	103.50
AssiDoman	215.50	210	215	214
Astra A	324	315.50	323.50	315
Atlas Copco A	213.50	205	212	205.50
Autoliv	305	294	304.50	294
Electrolux B	460	438	460	482
Ericsson B	268.50	263	268	267.50
Hennes B	274	261	274	260
Incentive A	649	622	643	623
Investor B	373	365	373	369
MoDo B	249	245	248	247
Nordbanken	240	237	239.50	240
Pharm/Upjohn	260	254.50	258.50	255.50
Sandvik B	205.50	203	204.50	204.50
Scania B	264.50	221	226	223
SCA B	172	168	168.50	171
S-E Banken A	86.50	83.50	86.50	84
Skandia Fors	248.50	245	248.50	247
Skanska B	330.50	325	325.50	329
SKF B	180	177	179	179.50
Sparbanken A	155	148	155	148.50
Stadshypotek A	190	190	190	190
Stora A	117.50	115	117.50	116
Sv Handles A	222.50	221	222.50	221.50
Volvo B	208.50	205	207.50	208

Sydney — All Ordinaries: 2525.00, Previous: 2530.40

	High	Low	Close	Prev.
Amcor	8.46	8.34	8.45	8.37
ANZ Bkng	8.46	8.35	8.43	8.47
BHP	18.20	18.06	18.13	18.10
Boral	3.84	3.77	3.84	3.78
Brambles Ind.	23.80	23.49	23.53	23.75
CBA	14.77	14.59	14.65	14.78
CC Amatil	14.80	14.66	14.75	14.70
Coles Myer	6.20	6.10	6.20	6.18
Comalco	7	6.87	6.93	6.87
CRA	20.15	19.88	20.03	19.82
CSR	4.60	4.51	4.56	4.60
Fosters Brew	2.63	2.59	2.63	2.62
Goodman Fld	1.72	1.69	1.72	1.70
ICI Australia	11.98	11.84	11.90	11.96
Lend Lease	24.70	24.35	24.50	24.75
MIM Hdgs	1.78	1.74	1.76	1.77
Nat Aust Bank	18.52	17.95	18.11	18.34
Nat Mutual Hdg	1.95	1.92	1.94	1.95
News Corp	5.72	5.63	5.70	5.72
Pacific Dunlop	3.51	3.46	3.50	3.50
Pioneer Intl	4.35	4.32	4.34	4.34
Pub Broadcast	6.52	6.46	6.50	6.52
St George Bank	8.12	8.02	8.06	8.16
WMC	7.88	7.78	7.87	7.88
Westpac Bkng	7.42	7.20	7.32	7.45
Woodside Pet	11.15	10.97	11.02	10.97
Woolworths	4.02	3.92	4.01	3.97

Taipei — Stock Market index: 7996.10, Previous: 8181.62

	High	Low	Close	Prev.
Cathay Life Ins	158	152	154	155
Chang Hwa Bk	122	117	118	118.50
Chiao Tung Bk	72.50	69	71	68
China Develpmt	120	116	116	118.50
China Steel	30.10	29.20	29.20	30.10
First Bank	122.50	117	117	119
Formosa Plastic	66.50	64	65	64
Hua Nan Bk	121	115	116.50	116.50
Intl Comm Bk	71	67	68	66.50
Nan Ya Plastics	70.50	68.50	68.50	70
Shin Kong Life	99	94.50	95	94.50
Taiwan Semi	106.50	100.50	100.50	108
Tatung	56	54.50	54.50	55
Utd Micro Elec	68	64.50	64.50	69
Utd World Chin	71	68.50	69.60	70

Tokyo — Nikkei 225: 20856.31, Previous: 20289.72

	High	Low	Close	Prev.
Ajinomoto	1200	1180	1190	1200
All Nippon Air	764	752	764	763
Amway	4380	4200	4380	4270
Asahi Bank	817	798	809	817
Asahi Chem	699	685	695	697
Asahi Glass	1170	1150	1160	1170
Bk Tokyo Mitsu	2100	2050	2070	2090
Bk Yokohama	529	520	529	525
Bridgestone	2680	2600	2650	2690
Canon	2970	2870	2930	3000
Chubu Elec	2090	2060	2070	2100
Chugoku Elec	2050	2020	2050	2030
Dai Nipp Print	2420	2390	2420	2430
Daiei	723	711	718	730
Dai-Ichi Kang	1550	1480	1510	1560
Daiwa Bank	442	432	434	442
Daiwa House	1400	1380	1380	1390
Daiwa Sec	882	850	866	882
DDI	8990a	8740a	8880a	8750a
Denso	2880	2770	2860	2940
East Japan Ry	5500a	5400a	5500a	5490a
Eisai	2270	2240	2250	2290
Fanuc	4230	4110	4150	4220
Fuji Bank	1540	1480	1520	1540
Fuji Photo	4770	4670	4680	4740
Fujitsu	1370	1350	1360	1370
Hachijuni Bk	1120	1110	1110	1120
Hitachi	1230	1210	1220	1230
Honda Motor	3770	3670	3710	3780
IBJ	1460	1400	1430	1470
IHI	514	501	504	512
Itochu	630	619	626	624
Ito-Yokado	6740	6680	6700	6740
JAL	526	520	523	523
Japan Tobacco	8620a	8420a	8570a	8410a
Jusco	4300	4180	4220	4270
Kajima	694	675	694	683
Kansai Elec	2180	2150	2180	2210
Kao	1600	1550	1600	1550
Kawasaki Hvy	544	532	537	544
Kawa Steel	371	364	369	372
Kinki Nipp Ry	705	699	705	702
Kirin Brewery	1160	1140	1150	1150
Kobe Steel	230	224	225	229
Komatsu	927	885	890	929
Kubota	578	570	578	581
Kyocera	7470	7370	7430	7460
Kyushu Elec	2000	1980	1980	1980
LTCB	376	361	365	376
Marubeni	504	497	500	500
Marui	2230	2180	2210	2220
Matsu Comm	3270	3220	3260	3240
Matsu Elec Ind	2180	2140	2170	2200
Matsu Elec Wk	1310	1290	1300	1310
Mitsubishi	1390	1360	1360	1410
Mitsubishi Ch	414	410	410	412
Mitsubishi El	703	690	694	707
Mitsubishi Est	1680	1630	1660	1640
Mitsubishi Hvy	861	843	855	856
Mitsubishi Mat	907	886	905	890
Mitsubishi Tr	1570	1530	1550	1590
Mitsui	990	979	990	994
Mitsui Fudosn	1510	1480	1500	1470
Mitsui Trust	880	835	850	881
Murata Mfg	4950	4810	4810	5000
NEC	1600	1580	1590	1610
Nikon	1870	1840	1860	1870
Nikko Sec	747	705	736	750
Nintendo	8980	8830	8900	9160
Nipp Express	935	906	930	906
Nippon Oil	635	615	615	636
Nippon Steel	371	366	371	371
Nissan Motor	754	735	743	751
NKK	267	262	265	271
Nomura Sec	1440	1390	1390	1480
NTT	1060b	1020b	1030b	1050b
NTT Data	4390b	4260b	4390b	4270b
Oji Paper	762	753	759	757
Osaka Gas	303	296	303	301
Ricoh	1470	1440	1460	1450
Rohm	10200	9950	10200	10000
Sakura Bk	721	696	707	720
Sankyo	3500	3440	3460	3520
Sanwa Bank	1530	1480	1490	1540
Sanyo Elec	509	491	509	503
Secom	7960	7820	7960	7820
Seibu Rwy	6200	6130	6200	6150
Sekisui Chem	1200	1170	1200	1190
Sekisui House	1200	1170	1190	1220
Seven-Eleven	8400	8240	8400	8240
Sharp	1640	1610	1630	1640
Shikoku El Pwr	1990	1970	1980	1990
Shimizu	705	693	705	697
Shin-etsu Ch	2700	2620	2660	2700
Shiseido	1780	1730	1740	1780
Shizuoka Bk	1130	1110	1130	1110
Softbank	8450	8120	8400	7970
Sony	9820	9650	9750	9830
Sumitomo	929	916	923	915
Sumitomo Bk	1580	1520	1530	1570
Sumit Chem	494	479	485	509
Sumitomo Elec	1810	1780	1810	1810
Sumit Metal	310	303	309	310
Sumit Trust	1100	1060	1070	1230
Taisho Pharm	3090	3080	3090	3100
Takeda Chem	2940	2870	2890	2940
TDK	9020	8780	8890	9030
Tohoku El Pwr	2000	1970	2000	1980
Tokai Bank	964	940	946	965
Tokio Marine	1380	1340	1360	1390
Tokyo El Pwr	2260	2170	2200	2270
Tokyo Electron	5060	4930	5000	5070
Tokyo Gas	299	296	297	296
Tokyu Corp.	670	657	670	653
Tonen	1390	1350	1390	1370
Toppan Print	1730	1690	1730	1720
Toray Ind	784	773	784	778
Toshiba	725	714	716	721
Tostem	2900	2880	2900	2910
Toyo Trust	897	830	837	897
Toyota Motor	3590	3490	3540	3660
Yamanouchi	2950	2860	2870	2930

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6254.55, Previous: 6248.18

	High	Low	Close	Prev.
Abitibi Price	23.60	23.40	23.40	23.55
Alberta Energy	32¼	32	32.10	32.20
Alcan Alum	49¼	48¼	48.85	48.90
Anderson Expl	18.30	17.85	18.05	18.35
Bk Montreal	52.80	52.30	52¼	52.55
Bk Nova Scotia	57.20	56½	57.05	56.65
Barrick Gold	34.20	33.65	34.10	33.90
BCE	35.15	34.85	35	34.85
BC Telecomm	29.85	29.70	29.80	29.95
Biochem Pharm	30.20	30.20	30.20	30¼
Bombardier B	28.20	28.10	28.20	28.10
Brascan A	35.15	34.95	35.05	35.20
Cameco	50.40	49½	49.60	50.20
CIBC	33.90	33.45	33.80	33.55
Cdn Natl Rail	55.85	55½	55.60	56
Cdn Nat Res	36	35¼	35.90	35.85
Cdn Occid Pet	29.10	27.90	29	28
Cdn Pacific	36	35.30	35.30	35.90
Cominco	38½	38	38.35	38
Dofasco	25.10	24.95	24.95	24.85
Domtar	11.55	11.45	11.45	11½
Donohue A	29.65	29.60	29.65	29½
Du Pont Cda A	35¼	35.20	35¼	35.20
Edper Group	23.80	23.65	23.65	23¼
EuroNev Mng	42½	42.35	42.35	42.10
Fairfax Finl	320	320	320	320
Falconbridge	30.90	30½	30.70	30½
Fletcher Chall A	23.80	23	23.55	23.55
Franco Nevada	70¼	70¼	70¼	70¼
Gulf Cda Res	11.90	11.45	11.90	11.80
Imperial Oil	64.95	64.30	64½	64.90
Inco	46¼	45.90	46	46.30
IPL Energy	43.20	43	43.15	43.05
Laidlaw B	18.90	18.60	18¾	18.90
Loewen Group	42¼	41.80	41.90	42¼
Macmil Bldl	20.20	20	20.05	20.10
Magna Intl A	77	76.65	76.65	76¼
Methanex	12.70	12½	12.55	12.70
Moore	29¼	28.95	29.05	29.05
Newbridge Net	47.70	46.90	47.20	47.30
Noranda Inc	31.90	31¼	31.70	31.45
Norcen Energy	33.10	32.70	32¼	33.05
Nthern Telecom	107¼	107	107.30	107.60
Nova	11.90	11¼	11.80	11.90
Onex	25.10	25	25.05	25¼
Pancdn Petlm	30¼	29.80	30¼	29.80
Petro Cda	23.10	22.80	23.10	22.90
Placer Dome	26	25¼	25.95	25.40
Poco Petlm	15¼	15	15.20	15¼
Potash Sask	113.55	112	112¼	113.80
Renaissance	40.60	40.30	40.30	40.40
Rio Algom	36.95	36¼	36.85	36.35
Rogers Cantel B	26	25.10	25.80	26
Seagram Co	53¼	52.55	53.15	52.65
Shell Cda A	57¼	57¼	57.55	57.40
Stone Consold	23.55	23.45	23.45	23.60
Suncor	36.60	36.15	36.35	36.15
Talisman Eny	45.85	45¼	45¼	45.65
Teck B	30.90	30.60	30¼	30¼
Teleglobe	42.70	42	42½	42¼
Telus	22.95	22.40	22.85	22.40
Thomson	30.20	29.90	30.05	30
TorDom Bank	40¼	40.40	40.65	40.70
Transalta	15.90	15¼	15.85	15.80
TransCda Pipe	25.90	25¼	25.80	25.70
Trimark Finl	50¼	50	50¼	50
Trizec Hahn	31¼	31	31.35	31.20
TVX Gold	8.90	8.65	8.80	8.85
Westcoast Eny	24¼	24.15	24.20	24.45
Weston	77	76.45	76½	76¼

Vienna — ATX index: 1249.39, Previous: 1261.47

	High	Low	Close	Prev.
Boehler-Uddeh	920	907	914.55	925
Creditanst Pfd	518	507	508	505.60
EA-Generali	3084	2955	3030	3100
EVN	1637	1611	1612.50	1634.50
Flughafen Wien	516	509	510	521.10
OMV	1460	1420	1421	1461.50
Oest Elektriz	867.50	862.10	862.10	867.40
VA Stahl	527	520.50	520.50	525.60
VA Tech	2042.20	2010	2026	2022
Wienerberg Bau	2410	2260	2330	2334

Wellington — NZSE-40 index: 2310.72, Previous: 2300.99

	High	Low	Close	Prev.
Air N Zeald B	4.32	4.28	4.32	4.27
Brierly Invt	1.36	1.34	1.36	1.34
Carter Holt ord	3.28	3.22	3.27	3.23
Fletch Ch Bldg	4.00	3.99	4.00	4.03
Fletch Ch Eny	4.65	4.51	4.65	4.53
Fletch Ch Forst	2.00	1.96	2.00	1.99
Fletch Ch Paper	3.26	3.23	3.26	3.26
Lion Nathan	3.55	3.53	3.55	3.52
Telecom NZ	6.62	6.55	6.62	6.63
Wilson Horton	11.70	11.70	11.70	11.65

Zurich — SPI index: 3245.92, Previous: 3239.68

	High	Low	Close	Prev.
ABB B	1997	1956	1990	1985
Adecco B	498	487	498	488
Alusuisse R	1302	1290	1295	1302
Ares-Serono B	2030	1987	1990	2030
Atel R	868	868	868	850
Baer Hdg B	2088	2068	2078	2072
Baloise Hdg R	3310	3235	3300	3300
BK Vision	1026	1010	1025	1010
Ciba Spec Chem	136	133.50	133.75	134.75
Clariant R	837	825	831	824
Crd Suisse Gp R	171.75	168.75	171.75	172.25
Elektrowatt B	525	523	523	526
Ems-Chemie	6295	6135	6245	6125
ESEC Hdg	4615	4500	4615	4580
Holderbank B	1226	1193	1220	1200
Liechtenst LB B	489	489	489	496
Nestle R	1865	1844	1849	1866
Novartis R	2036	2003	2028	2039
Oerlikn Bueh R	156	153.75	154.50	154
Pargesa Hld B	1784	1765	1775	1780
PharmVisn B	822	805	822	811
Richemont A	2073	2033	2055	2085
Pirelli PC	237.50	234	235	235
Roche Hdg PC	13220	12850	13200	12980
SBC R	345	337.50	343.50	344.50
Schindler PC	1940	1900	1925	1910
SGS B	3295	3230	3265	3290
SMH B	853	845	850	863
Sulzer R	1087	1068	1085	1082
Swiss Reins R	1818	1802	1815	1806
Swissair R	1352	1300	1328	1368
UBS B	1496	1462	1493	1466
Winterthur R	1122	1097	1120	1128
Zurich Assur R	506	492	497.50	494.50

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	164.99	-0.42	-0.25	+10.63
Regional Indexes				
Asia/Pacific	123.17	-1.28	-1.03	-0.21
Europe	174.42	-0.21	-0.12	+8.20
N. America	189.89	-0.62	-0.33	+17.28
S. America	149.10	+2.26	+1.54	+30.30
Industrial Indexes				
Capital goods	201.61	-0.35	-0.17	+17.96
Consumer goods	188.10	-0.37	-0.20	+16.52
Energy	192.38	-1.26	-0.65	+12.69
Finance	122.77	-0.86	-0.70	+5.42
Miscellaneous	165.62	+0.03	+0.02	+2.37
Raw Materials	184.65	-0.15	-0.08	+5.29
Service	153.24	+0.58	+0.38	+11.59
Utilities	140.62	-0.22	-0.16	-1.98

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

SHE WAS, HE SAID,

AN ARISTOCRATIC EIGHTY YEAR OLD

French lady and he loved her with a passion that bordered on the physical. The young receptionist reached for her pen. The caller went on to explain that he would be coming to Singapore during the first week in March. And his travelling companion would be arriving a few days earlier. Could arrangements be made to look after the old lady in his absence? Despite her impeccable French pedigree, he said, she was liable on account of her great age to be a touch cantankerous. The receptionist explained that the hotel was always delighted to look after elderly ladies, cantankerous or otherwise. Let's hope so, the caller added. She was the one true love of his life and had survived all three of his marriages. Somewhat taken aback by this demonstration of gallic candour, the girl inquired if the gentleman had *any particular suite in mind? Just put her in the garage* he said. When she finally arrived, the gleaming 1908 Peugeot quietly excelled all expectations in the Singapore to Malaysia vintage car rally.

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Continued on Page 20

Prosecutors Raid Offices Of Nomura

TOKYO — Prosecutors ... offices of Nomura Securities ... Thursday, apparently in search ... show that the brokerage company ... raid off government officials ... prosecutors also arrested Ryoichi ... on the alleged ... scandal, or cash ... the blackmailers ... that some ... same executives have been ar... ed of paying ... Mr. Koike's ... ment also ... moved on sus... ion of acting ... with accomplices ... were released or reprimed ... Wednesday ... prosecutors ar... and one current ... two former ... were ... 49.7 mil... ... payments the ... is ... making to ... Koike ... executives ex... ... companies by ... shareholders' ... forbidden ... code ... Japan's ... sign that ... the raids were the ... largest ... scandal ... ... widen to ... brokerage ... politicians. *Reuters*

TRANS EUROPE FUND N.V.
Amsterdam

The undersigned announces that ... with the decisions of the Annual General ... Shareholders held on Thursday, May ... dividend for the Financial Year ... 31 December has been settled at ... share of nominal NLG 25.- each. ... tribution is subject to 25% dividend ... tax.

The dividend ... payable as from May 22 ... the office of ABN AMRO Bank N.V. ... 22, Amsterdam and Banque ... Schlumberger ... S.A., 3, Avenue ...

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Amsterdam, May 16, 1997

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ASIA/PACIFIC

Prosecutors Raid Offices Of Nomura

Compiled by Our Staff From Dispatches

TOKYO — Prosecutors raided the offices of Nomura Securities Co. on Thursday, apparently in search of evidence that the brokerage concern had paid off government officials.

Prosecutors also arrested Ryuichi Koike, the alleged *sokaiya*, or corporate blackmailer, that some Nomura executives have been accused of paying off. Mr. Koike's brother also was arrested on suspicion of acting as an accomplice, Japanese television reported.

On Wednesday, prosecutors arrested one current and two former Nomura executives over a 49.7 million yen ($418,500) payment the brokerage is accused of making to Mr. Koike. Sokaiya racketeers extort money from companies by threatening to disrupt shareholders' meetings. Paying them is forbidden under Japan's commercial code.

The raids were the latest sign that the scandal at Japan's largest brokerage company could widen to include bureaucrats and politicians.

(Bloomberg, Reuters)

Singapore Air Fails to Gain Altitude

By Michael Richardson
International Herald Tribune

SINGAPORE — Singapore Airlines celebrates its 50th year of operation this month as one of the world's most profitable airlines, yet its flight path ahead is unusually hazy.

Since it ended a 25-year joint venture with airlines in Malaysia in 1972, Singapore Airlines has emerged as one of the largest independent long-haul carriers, frequently startling the aviation industry with the size of orders for new aircraft to increase its number of flights and to open new routes.

But when the parent company, Singapore Airlines Ltd., reports its annual results Friday, most analysts expect little change from the year ended March 1996, when net profit was 1.03 billion Singapore dollars ($717.8 million) on revenue of 6.89 billion dollars.

Moreover, while most other major carriers have opted in recent years for a strategy of forming commercial alliances with, or buying into, other carriers to cut costs and generate growth, Singapore Airlines has been largely left grounded.

Its 1989 code-sharing alliance with Swissair of Switzerland and Delta Air Lines of the United States has done little for Singapore Airlines' bottom line, analysts say, and its equity investments in both have resulted in substantial book losses.

Singapore Airlines lost out to British Airways in 1993 when it tried to buy a 25 percent stake in Qantas Airways Ltd. of Australia.

In April, after almost two years of negotiations, Indian authorities blocked the carrier from investing more than $700 million with the Tata group, to set up a new airline in India. But Indian officials have said the venture may still be approved.

Talks on buying into the No. 2 Australia carrier, Ansett Airlines Ltd., and the leading private airline in Indonesia, PT Sempati Air, may also yield concrete results in the next year or so, although neither potential partner is profitable.

But a 23 percent drop in first-half operating profit, to 318 million dollars, despite a 10 percent increase in passenger and cargo traffic, alarmed investors. The drop was attributed partly to rising costs and fare discounting.

Peter Negline, regional airlines analyst in the Hong Kong office of Salomon Brothers Inc., said that "over-zealous" fleet expansion in recent years had left Singapore Airlines with very high rates of capacity growth at 13.1 percent in the last financial year and 7.2 percent in the year that ends next March.

Michael Ong, an aviation analyst at SocGen-Crosby Securities Pte., said lower jet fuel prices, an industrywide fare increase of 3 percent that took effect starting in December and higher passenger loads per plane should have helped Singapore Airlines' earnings to recover in the second half.

But with more than 80 percent of its sales earned in foreign currencies, the persistent strength of the Singapore dollar has depressed profit growth. So, too, have increasing costs in Singapore and competition from other airlines.

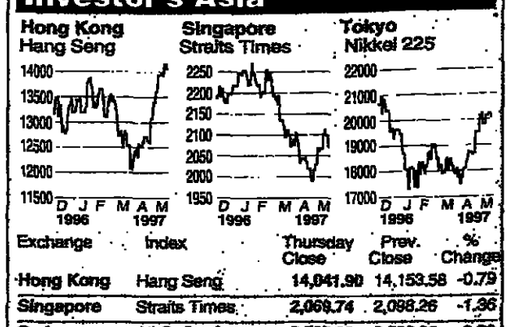
"We are squeezed by the strong Singapore dollar — which causes our revenue yields to drop — and rising costs," Deputy Chairman Cheong Choong Kong said. "So while Singapore will always be a very important hub and a major contributor to our revenues, we should look at ways of getting a higher rate of return on our investments."

The carrier is seeking to cut labor costs by introducing electronic ticketing, automated check-in and direct ticket sales on the Internet.

The parent company has already transferred some office work to cheaper locations in Asia. Some of its accounting is done in Beijing, and some aircraft maintenance takes place in Xiamen, China. Software development has been moved to Madras, India. Units have set up joint ventures to operate flight kitchens and airport handling companies, as well as aircraft engineering and maintenance operations, in nine Asian countries.

But Mr. Cheong said the biggest player should be the airline itself, "and we are looking at opportunities in the region."

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,041.90	14,153.58	-0.79
Singapore	Straits Times	2,069.74	2,098.26	-1.36
Sydney	All Ordinaries	2,525.00	2,530.00	-0.20
Tokyo	Nikkei 225	20,056.31	20,209.72	-0.76
Kuala Lumpur	Composite	1,041.27	1,072.49	-2.91
Bangkok	SET	557.87	571.30	-2.35
Seoul	Composite Index	699.95	683.86	+2.35
Taipei	Stock Market Index	7,996.10	8,181.62	-2.27
Manila	PSE	2,631.09	2,705.92	-2.77
Jakarta	Composite Index	656.99	670.59	-2.03
Wellington	NZSE-40	2,310.72	2,300.99	+0.42
Bombay	Sensitive Index	3,741.22	3,746.53	+0.02

Source: Telekurs International Herald Tribune

Very briefly:

- **China** plans to slow growth in Beijing, the Xinhua press agency reported, implementing by 2000 tight restrictions on the use of land for new projects.
- **The Philippine Securities and Exchange Commission** has created a task force to investigate recent steep drops on the Manila stock market, Chairman Perfecto Yasay said.
- **Abra Mining & Industrial Corp.** plans to develop a gold deposit on Luzon, but the Philippine company's president said the recent Busang goldfield hoax might complicate financing.
- **PT Timor Putra Nasional** will ask banks for only $690 million of the $1.3 billion it planned to borrow for building an auto plant, but it is considering an initial public offering to cover the rest of construction.
- **Vietnamese** police arrested 13 executives of **Minh Phung Co.**, the Ho Chi Minh City clothes company connected with a bad-loan scandal, state-run media reported.
- **Japanese** bankruptcies were 20 percent higher in April, at 1,432, than in April 1996, the fifth increase over the past six months, a private research institute reported.
- **Mitsubishi Estate Co.**'s profits for the year ended March plunged 44 percent, to 16.3 billion yen ($137.3 million), following its decision to move up by a year a plan to slash its debt below 1 trillion yen.

AP, Reuters, Bloomberg

Bre-X Sets Shutdown in Indonesia

The Associated Press

JAKARTA — Bre-X Minerals Ltd. said Thursday that it would cease operations in Indonesia in June but promised its approximately 1,000 workers there that they would be receive severance pay from a $600,000 fund.

The company, whose Busang gold find on the Indonesian half of Borneo was found to be a hoax in an independent assessment, has filed for bankruptcy in Canada. A Bre-X executive in Indonesia said closure of operations there had been delayed until after the May 29 general elections.

TRANS EUROPE FUND N.V.
Amsterdam

The undersigned announces that in accordance with the decision of the Annual General Meeting of Shareholders held on Thursday, May 15, 1997, the dividend for the Financial Year 1996 ended as per 31 December has been settled at NLG 1,00 per share of nominal NLG 25,- each. The dividend distribution is subject to 25% dividend withholding tax.

The dividend will be paid as from May 27, 1997 at the office of ABN AMRO Bank N.V., Foppingadreef 22, Amsterdam and Banque de Neuflize, Schlumberger, Mallet S.A., 3, Avenue Hoche, Paris.

Holders of CF-shares will receive their dividend through the intermediary of the institutions where the dividend sheets were in custody on May 15, 1997 at office closing time. Holders of shares registered in its shareholder's register will receive the dividend directly from the company.

Amsterdam, May 15, 1997

Manager:
ABN AMRO-NSM International Funds Management B.V.

China Pays Back France

Beijing Signs $1.5 Billion Deal With Airbus

By Steven Mufson
Washington Post Service

BEIJING — One month after France helped quash a UN resolution that would have censured China's human rights record, President Jacques Chirac received a pat on the back — and a $1.5 billion contract for airplane purchases — from China's leaders.

Hours after his arrival Thursday on the first day of a state visit to Beijing, Mr. Chirac and President Jiang Zemin of China presided over the signing of a $1.5 billion contract for Airbus Industrie to sell 30 planes to a Chinese state-run aviation company.

Several other French companies also signed deals.

The Airbus deal, which will include 10 A320 and 20 A321 planes, is worth more than twice as much as a Boeing Co. contract witnessed by Vice President Al Gore during a visit here in March.

That $685 million contract was for the sale of five Boeing 777 aircraft.

China linked the Airbus sales to France's political stance.

A spokesman for the Foreign Ministry, Shen Guofang, praised France's role supporting China at the UN Human Rights Commission in Geneva and said that good political relations would "push forward economic and trade relations."

The Airbus deal could help protect thousands of jobs in France, whose government is one member of the European consortium that owns the aircraft maker. Mr. Chirac, whose nation is suffering from double-digit unemployment, vowed to cultivate closer business ties to China.

"I should like all my compatriots to share my conviction that despite the geographical distance between us, China must be one of our main partners," Mr. Chirac said.

The new aircraft deal is certain to feed demands by U.S. executives that the Clinton administration further distance itself from human rights issues and take a more lenient approach to sales of sensitive technology to China.

Mr. Chirac also echoed one of Mr. Jiang's favorite themes by calling for a multipolar world that would have no superpowers.

Chinese Stocks Rebound After State Shake-Up

Bloomberg News

SHANGHAI — Chinese stocks recovered Thursday from their biggest dive in two months as investors apparently decided a securities-industry shake-up might not hurt share prices as much as they had thought.

A government official said Wednesday that China had replaced the chief of its Securities Regulatory Commission after investors failed to heed government warnings that the stock market might be overheated.

The government also moved to suspend the trading licenses of two of the country's biggest brokers — both state-controlled — for a year for involvement in market manipulation, the South China Morning News reported, quoting unnamed sources.

Shanghai's B share index, which tracks shares available to foreign investors, rose 1.4 percent to 88.77. In Shenzhen, the B share index gained 1.0 percent to 172.52.

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IRELAND	IRE	52	26	50%
ITALY	ITL	145,600	58,000	60%
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Continued on Page 20

NASDAQ

Thursday's 4 P.M.

The 1,000 most-traded National Market securities
In terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Thursday's 4 P.M. Close

(Continued)

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d China (PRC) (14/05) $ 14.3762
d Hong Kong (14/05) $ 69.800z
d Indonesia (14/05) $ 13.426z
d Japan (12/05) $ 6.470z
d Korea (13/05) $ 6.322z
d Malaysia (14/05) $ 28.544z
d Philippines (14/05) $ 22.493z
d Singapore (14/05) $ 22.939z
d Thailand (14/05) $ 16.402z
d Asean Fund (14/05) $ 8.1032
d South East Asia (14/05) $ 36.7412
022 BARING INTL FD MANGRS (IRELAND) LTD (SIB RECOGNIZED) IFAX 82502
IFSC HSE,Custom Hse Docks,Dub.44171 6286000
d Baring Emerg World Fund $ 0.8442
d Baring Global Resources $ 13.592
d High Yield Bond $ 12.562
d Japan Smaller Cos Fund $ 8.092
d Baring Eastern Europe Fd $ 14.072
d World Bond FFR FF 79.962
023 BARING INTL FD MNGRS (IRELAND) LTD (NON SIB RECOGNIZED) IFAX 82502
d Australia $ 35.25
d Japan Fund $ 22.852
d Malaysia & Singapore $ 128.122
d North America $ 47.072
d Octopus Fund $ 43.41
d Pacific Fund $ 119.672
d International Bond $ 20.55
d Europa Fund $ 26.48
d Hong Kong $ 173.84
d Trinity Warrant $ 35.182
d Global Emerging Mkts $ 12.512
d Latin America $ 16.842
d US Dollar Currency Fund $ 16.832
d Currency Fund Managed $ 27.562
d Korea Feeder Fund $ 5.722
d Europe Select Feeder Fund $ 1.1292
024 BEACON GLOBAL ADVISORS LTD
m Gemini Cays Ltd $ 4967.37
m Compass Series N. Ltd $ 6962.76
m Compass Series E. Ltd $ 7275.38
m Compass Series L. Ltd $ 7510.86
m Compass Series W. Ltd $ 6373.17
201 BEC UNIVERSAL FUND
d Global Eq USD A (Div) $ 25.3999
d Global Eq USD B (Cap) $ 27.0670
d Global Bonds USD A (Div) $ 16.8139
d Global Bonds USD B (Cap) $ 24.6971
d Global Bonds FRF A (Div) FF 125.7715
d Global Bonds FRF B (Cap) FF 192.2467
d Europe ECU A (Div) Ecu 212.4764
d Europe ECU B (Cap) Ecu 219.1616
d Far East USD A (Div) $ 24.3446
d Far East USD B (Cap) $ 24.7793
d Japan JPY A (Div) Y 996.8265
d Japan JPY B (Cap) Y 996.8265
d Parisec FRF B (Cap) FF 144.7448
d Latin America USD A (Div) $ 21.3128
d Latin America USD B (Cap) $ 21.3999
d Nordic Equities Sek B (Cap) Sek 157.9034
025 BELINVEST FUNDS
m Belinvest Brazil Select Fd $ 134.11+
m Belinvest Equiplus Fd $
m Belinvest Realty Fund Plc $ 107.692
w Belinvest-Multibond $ 1514.57
026 BERKSHIRE CMG ZURICH (41.1.396.2230)
E-MAIL,Internet: berkshire@growth.com
w Aristo Bio-Medical Grth $ 4.19E
w Aristo Cap Grth Fd Ltd $ 4.83E
w Aristo High Tech Grwth $ 4.26E
w Aristo High Yield Opp Fd Ltd $ 5.00
w Aristo Medic Growth Fd Ltd $ 5.00
027 BOWEN CAPITAL MGT
w Steward Asia Fund $ 11.5954
w Ziparigu Fund $ 8.0128
031 CALLANDER Tel:(351)4944594 Fax:4944599
w Callander F-Asset $ 297.50
w Callander F-Austrian AS 1327.80
w Callander F-Eastern Europe DM 94.98
w Callander F-Growth Opp $ 149.55
w Callander F-Spanish Pts 12782.00
w Callander F-Swiss Growth SF 156.31
w Callander F-US Health Care $ 98.34
032 CAPITAL INTERNATIONAL
w Capital Intl Fund $ 189.73
w Capital Italia SA $ 54.63
033 CAPITAL INVESTMENT GROUP PLC
w Capital Growth Fund $ 9.03
034 CDC INTERNATIONAL
w CEP Court Terme FF 201633.45
035 CHEMICAL IRELAND FD ADM LTD
359-1 66 13 433
w AHL Diversified Plc $ 14.00
205 CHILTON
m Chilton Intl (BVI) Ltd $ 14930.58
m Chilton Natural Res. (BVI) $
036 CITIBANK (LUXEMBOURG) S.A.
POB 1373 Luxembourg Tel. (352) 4514141
d Citinvest Global Bond $ 119.67
d Citinvest FGP USD $ 1708.29
d Citinvest FGP ECU Ecu 1509.66
d Citinvest FGP ESP Ptas 11035.00
d Citinvest Selector $ 1461.99
d Citicurrencies USD $ 186.49
d Citicurrencies DEM DM 157.52
d Citicurrencies GBP £ 180.49
d Citiport N.A. Equity $ 385.37
d Citiport Cont. Euro Equity Ecu 284.59
d Citiport UK Equity £ 187.75
d Citiport French Equity FF 1908.05
d Citiport German Equity DM 141.86
d Citiport Japan Equity Y 4477.00
d Citiport APEC $ 302.26
d Citiport Eamec $ 184.23
d Citiport N.A. $ Bond $ 187.28
d Citiport Euro Bond Ecu 191.62
d Citiport Jap Sm Cap Y 7542.00
d Citiport Italian Equity Lit 120757.00
d Citiport US Opp Bond $ 101.66
d Citiport US Eq Opp $ 115.00
d Citiport US Sm Cap $ 82.24
d Citiport II 57 Bond Lit 103807.00
d Citiport II LI Bd ITL 106936.00
d CL Asian Income Fund $ 109.87
d CL NGO Currency Fund $ 179.45
d India Focus Fund $ 622.14
d Money Manager I $ 11.00
d Money Manager II $ 11.14
d Citiselect Ptfl Balanced Fd $ 11.31
d Citiselect Ptfl Growth Fd $ 11.30
d Citiselect Ptfl Enhanced Grth $ 11.16
038 CITIBANK GLOBAL ASSET MGT (ASIA) Ltd
Tel 00 852 2868 6266 Fax 00 852 2523 1379
d CIF (Cayman) Asia Eq $ 8.84
d CIF (Cayman) H.K. Eq $ 13.38
039 CITITRUST
m Citiperformance Ptfl S.A. $ 20.647
m The Good Earth Fund $ 14.780
040 COMGEST (33-1) 44 70 75 10
m C.F.E. Omni Fund $ 14.8363
m C.F.E. Lotus Fund $ 11.4026
w Comgest Asia $ 1484.66
w Comgest Europe SF 2406.10
w Panda Sicav $ 985.94
041 CONZETT HOLDINGS LTD
Internet site: www.conzett.com
w Controvest Limited SF 2087.21
w Conzett Europa Invest Ltd SF 1769.46
w Conzett Forex Fund Ltd SF 3480.58
w Emerging Mkts Quant Fd Ltd DM 1182.10
w Equilibrium Fund Ltd DM 1211.32
w Sunflower Trading Fund Ltd DM 1861.62
042 COWEN ASSET MANAGEMENT
Cowen Enterprise Fund N.V.
w Class A Shs $ 1174.10
w Class B Shs $ 1810.04
043 CREDIS INVESTMENT FUNDS
Tel - 41 1 333 8500 Fax. +41 1 227 3425
d CS Portf Fb Inc (DM) A DM 1062.97
d CS Portf Fb Inc (DM) B DM 1099.38
d CS Portf Fb Inc (SFR) A SF 1045.79
d CS Portf Fb Inc (SFR) B SF 1071.78
d CS Portf Fb Inc (US$) A $ 1047.82
d CS Portf Fb Inc (US$) B $ 1084.61
d CS Portf Inc DM A DM 1149.00
d CS Portf Inc DM B DM 1209.42
d CS Portf Inc (Lire) A Lit 1135952.00
d CS Portf Inc (Lire) B Lit 1244086.00
d CS Portf Inc SFR A SF 1120.02
d CS Portf Inc SFR B SF 1220.88
d CS Portf Inc US$ A $ 1057.07
d CS Portf Inc US$ B $ 1194.87
d CS Portf Bal DM DM 1331.34
d CS Portf Bal SFR SF 1280.40
d CS Portf Bal US$ $ 1227.45
d CS Portf Focus SFR A/B SF 1116.57
d CS Portf Growth DM DM 1319.43
d CS Portf Growth SFR SF 1259.15
d CS Portf Growth US$ $ 1253.92
d Credis Money Mkt Fd BEF BF 63441.00
d Credis Money Mkt Fd C$ C$ 1509.22
d Credis Money Mkt Fd DM DM 1961.53
d Credis Money Mkt Fd Ecu Ecu 1600.44
d Credis Money Mkt Fd FF FF 7070.09
d Credis Money Mkt Fd HFl Fl 1322.38
d Credis Money Mkt Fd Lit Lit 1534908.00
d Credis Money Mkt Fd Pta Ptas 155909.00
d Credis Money Mkt Fd SF SF 629.93
d Credis Money Mkt Fd $ $ 2077.39
d Credis Money Mkt Fd Yen Y 147600.00
d Credis Money Mkt Fd £ £ 2771.62
d Credis Eq Fd Emerg Mkts $ 1226.06
d Credis Eq Fd Eur Blue Ch A DM 426.47
d Credis Eq Fd Eur Blue Ch B DM 461.13
d Credis Eq Fd France A FF 1356.91
d Credis Eq Fd France B FF 1498.65
d Credis Eq Fd Germany A DM 395.40
d Credis Eq Fd Germany B DM 432.36
d Credis Eq Fd Gold Mines A $ 240.51
d Credis Eq Fd Gold Mines B $ 263.78
d Credis Eq Fd Hisp Iber A Ptas 48742.00
d Credis Eq Fd Hisp Iber B Ptas 54303.00
d Credis Eq Fd Italy A Lit 302442.00
d Credis Eq Fd Italy B Lit 316514.00
d Credis Eq Fd Jap Megat SF SF 227.12
d Credis Eq Fd Jap Megat Y 21650.00
d Credis Eq Fd Lat Amer $ 1087.51
d Credis Eq Fd Netherlds A Fl 881.59
d Credis Eq Fd Netherlds B Fl 927.99
d Credis Eq Fd Nth-Amer A $ 367.26
d Credis Eq Fd Nth-Amer B $ 405.90
d Credis Eq Fd Oeko-Protec A DM 250.65
d Credis Eq Fd Oeko-Protec B DM 276.53
d Credis Eq Fd Small Cap Eur. DM 1713.74
d Credis Eq Fd Small Cap Ger DM 1132.53
d Credis Eq Fd Small Cap Jap Y 58530.00
d Credis Eq Fd Sm Cap USA $ 1774.83
d Credis Eq Fd UK A £ 150.03
d Credis Eq Fd UK B £ 166.04
d Credis Eq Trust India $ 1219.82
d Credis Korea Fund $ 470.69
d Credis Small+Mid Cap Switzl SF 307.76
d Credit Suisse Fds Intl SF 796.62
d CS Gold Valor $ 125.10
d CS Tiger Fund $ 1202.90
d Energie - Valor SF 215.83
d Europa Valor SF 384.41
d Pacific - Valor SF 8389.00
d Schweizeraktien SF 1428.42
d Bond Valor D - Mark DM 135.88
d Bond Valor Swf SF 135.84
d Bond Valor US - Dollar $ 138.74
d Bond Valor Yen Y 11620.00
d Bond Valor £ Sterling £ 109.03
d Convert Valor Swf SF 180.95
d Convert Valor US - Dollar $ 199.12
d Credis Bond Fd Aus$ A A$ 1151.74
d Credis Bond Fd Aus$ B A$ 1609.54
d Credis Bond Fd Can$ A C$ 1150.42
d Credis Bond Fd Can$ B C$ 1572.75
d Credis Bond Fd DM A DM 1311.30
d Credis Bond Fd DM B DM 1774.22
d Credis Bond Fd Ecu A Ecu 108.93
d Credis Bond Fd Ecu B Ecu 231.99
d Credis Bond Fd Em Mkts $ 1373.77
d Credis Bond Fd Europa A DM 238.94
d Credis Bond Fd Europa B DM 449.28
d Credis Bond Fd FF A FF 925.31
d Credis Bond Fd FF B FF 1370.98
d Credis Bond Fd Gulden A Fl 192.09
d Credis Bond Fd Gulden B Fl 194.27
d Credis Bond Fd Lire A Lit 270282.00
d Credis Bond Fd Lire B Lit 332210.00
d Credis Bond Fd Pesetas A Ptas 22550.00
d Credis Bond Fd Pesetas B Ptas 26779.00
d Credis Bd Fd Prime Curr A SF 89.11
d Credis Bd Fd Prime Curr B SF 150.98
d Credis Bd Fd Short-T. DM A DM 104.48
d Credis Bd Fd Short-T. DM B DM 185.96
d Credis Bd Fd Short-T. SFR A/B SF 101.76
d Credis Bd Fd Short-T. $ A $ 101.69
d Credis Bd Fd Short-T. $ B $ 186.81
d Credis Bond Fd SF A SF 287.46
d Credis Bond Fd SF B SF 366.46
d Credis Bond Fd US$ A $ 1037.62
d Credis Bond Fd US$ B $ 1574.63
d Credis Bond Fd Yen A Y 113616.00
d Credis Bond Fd Yen B Y 129671.00
d Credis Bond Fd £ A £ 590.79
d Credis Bond Fd £ B £ 957.13
d CS Capital DM 1997 DM 2022.63
d CS Capital DM 2000 DM 1806.24
d CS Capital Ecu 2000 Ecu 1821.50
d CS Capital FF 2000 FF 1730.53
d CS Capital SFR 2000 SF 1852.59
d CS Capital $ 2000 $ 1203.27
d Credit Suisse Fds Bds SF 109.99
d CS Euroreal DM 106.68
044 CREDIT COMMERCIAL DE FRANCE
m Elysees Monetaire FF 17146.41
m Sam Acticash USD B $ 1274.85
045 CREDIT LYONNAIS ROUSE (Bermuda) Ltd
m Systemtrend Ltd $ 16.305
CLR SELECT 30-04-97 (LUX REG)
m Diversified US$ Ord $ 10.28
m Diversified DM Ord DM 21.42
m Diversified FF Ord FF 56.22
m Diversified A$ Ord A$ 9.89
m Diversified US$ Gtd May 99 $ 11.38
m Diversified A$ Gtd Jan 2000 A$ 12.97
THE VOLATILITY FUND 30-04-97 (LUX REG)
m The Volatility Fd US$ Series I $ 9.26
189 CREDIT SUISSE FUND MGMT (GUERN)
m New Europe Debt - Acc $ 1.03
m New Europe Debt - Inc $ 1.03
046 CURSITOR FUND
w Cursitor East Asian Eq $ 86.40
w Cursitor Glbl Bd Opport $ 124.14
w Cursitor Glbl Grth Sub-Fd $ 108.44
047 DARIER HENTSCH GROUP
Tel 41-22 708 68 68
d Hentsch Treasury Fd SF 10426.54
d DH Major Markets Fund SF 12547.04
d DH Mandarin Portfolio SF 15140.10
d DH Swiss (Ex. SAM) SF 12048.94
d DH Taiwan Port SF 94.875
d Samurai Portfolio SF 287.087
048 DELTEC PANAMERICA TRUST CO. LTD
m Deltec Latin American Fd $ 31.83
m Deltec Worldwide Inc Fd $ 13.14
m Deltec High Yield Fd $ 11205.99
049 DISCOUNT BANK GROUP
w Scont Bd Mult Hgd Doival $ 1372.50
w Scont Bd Multi Hgd CHF SF 1486.57
w Scont Bd Multi Hgd FRF FF 5540.85
w Scont Bd Multi Hgd DEM DM 1073.02
w Scont Bd M H Short T USD $ 1114.29
w Scont Bd M H Short T FRF FF 5472.77
w Scont Bd M H Short T DEM DM 1028.09
w Scont Bd Multi CHF CHF 1026.58
w Scont Bd Multi USD $ 1040.76
w Scont Equity Euroval Ecu 2126.22
w Scont Eq N. America $ 2819.08
w Scont Eq French FF FF 116.49
w Scont Eq Japan Y 783.58
w Scont Eq Technology $ 1243.25
w Scont Em Mkts Pacific $ 1260.98
w Scont Middle East Israel $ 1276.08
050 DISCOVER INVESTMENTS
w Discover Asia $ 8.89
w Discover Europe $ 12.17
051 DOSSIER DE GESTION COLLECTIVE
w Global $ 371.92
w America $ 134.73
w Europe SF 155.99
052 DRESDNER BANK INVESTMENT GROUP
DIT DT. INVESTMENT-TRUST, FFM
PO Box 110443,D60039 Frankfurt,Fax2631 4366
d Concentra + DM 80.45+
d Intl Rentenfond + DM 74.55+
DRESDNER KLEINWORT BENSON INTL MANAGEMENT SERVICES LTD
La Touche House - IFSC - Dublin 1
DSB Thornton Lat Am Sel Fd
d Conquistador Fund $ 9.58
053 DUBIN & SWIECA
Tel : (809) 945 1400 Fax : (809) 945 1488
m Highbridge Capital Corp. $ 18772.86
m Overlook Performance $ 2760.54
054 EBC FUND MANAGERS (Jersey) LTD
1-3 Seale St, St Helier : 441534-36331
EBC TRADED CURRENCY FUND LTD
d Capital SF 36.7500
d Income SF 22.3290
INTERNATIONAL INCOME FUND
d Long Term $ 34.4448
d Long Term - DMK DM 114.9678
055 ED & F MAN INVESTMENT PRODUCTS
Toll Free +41 46 05 18 14
m Mint Limited - Ordinary $ 41.58
m Mint Limited - Income $ 32.25
m Mint Gtd Ltd - Spec Issue $ 25.15
m Mint Gtd Currencies $ 8.06
m Mint Gtd Currencies 2001 $ 7.84
m Mint G GL Fin 2003 $ 7.02
m Mint Plus Gtd 2000 $ 9.54
m Mint Plus Gtd Bond $ 101.96
m Athena Gtd Futures $ 22.26
m Athena Gtd Currencies $ 9.78
m Athena Gtd Financials Cap $ 21.14
m Athena Gtd Financials Inc $ 11.96
m AHL Alpha Plc $ 14.79
m AHL Capital Mkts Fd $ 21.20
m AHL Commodity Fund $ 21.43
m AHL Currency Fund $ 16.84
m AHL Diversified Ltd $ 135.45
m AHL Div Gtd Ltd $ 12.65
m AHL Div Gtd II Ltd $ 14.00
m AHL Gtd Real Time Trd $ 11.36
m AHL Gtd Cap Mark Ltd $ 14.93
m AHL Gtd Commodities Ltd $ 12.73
m MAP Guaranteed 2000 $ 10.98
m MAP Gtd 2001 $ 9.86
m MAN-Glenwood M.S. $ 130.57
m MAN-IP 220 Limited US$ $ 10.32
m MAN IP 220 S2 Ltd $ 10.32
056 ERMITAGE LUX (352-4073 38)
http://www.Ermitage.lu
w Ermitage Selz Fund $ 82.96
w Ermitage Emer Mkts Fd $ 22.26
w Ermitage US Value Fd $ 15.93
w Ermitage Oday Fund DM 14.31
w Ermitage Glbl Mining Invt $ 12.36
057 EUROPA FUNDS LIMITED
d American Equity Fund $ 304.25
d American Option Fund $ 316.59
d Asian Equity Fd $ 144.63
d European Equity Fd $ 212.58
058 EUROPEAN FINANCIAL GROUP EFG
PROTON FUND
w Proton US$ Cash Fd $ 6144.04
w Proton Ecu Cash Fd Ecu 7064.64
w Proton Swiss Franc Cash SF 5976.82
w Proton Intl. Bond Fd-US$ $ 6370.52
w Proton Intl. Bond Fd-Ecu Ecu 8513.82
PROTON INTERNATIONAL B.V.I. INC
w Proton N American Eq Fd $ 8111.94
w Proton European Eq Fd Ecu 9625.17
w Proton Asian Eq Fd $ 1428.41
w Proton US Small Cap Fd $ 1382.16
w Proton Japan Fd $ 724.24
w Proton Emerging Eq Fd $ 1164.71
w Proton Global Fd $ 104.99
m Global Opportunities Fund $ 103.20
m Proton Evergreen Stock $ 184.63
m Proton Fixed Inc FF 13198.47
m Proton Multi-Cy Bd Fd FF 11147.14
w Proton GAM Fund $ 136.73
059 EVEREST CAPITAL (Tel:+1-441-292-2280)
m Everest Capital Frontier Ltd $ 27.2708
m Everest Capital Intl Ltd $ 246.49
060 FAIRFIELD GREENWICH GROUP
d Advanced Strategies Ltd $ 221.2245
m Fairfield Intl Ltd $ 322.90
m Fairfield Sentry Ltd A $ 469.30
m Fairfield Sentry Ltd L $
m Fairfield Sentry Ltd S $
m Sentry Select Ltd $ 674.0759
061 FAIRWAY INTERNATIONAL LTD
m Stafford Fund DM 1868.13
m Stafford Asia Fund $ 925.56
m Stafford Opportunity Fd $ 775.48
m Stafford Commodity Fd $ 1064.52
062 FERRIER LULLIN GROUP
w FL Trust Asia $ 197.35
w FL Trust Switzerland SF 229.90
063 FIDELITY INVESTMENT
Tel - 00 352 250 404
d New Europe Fund $ 25.99
d World Fund $ 132.35
d Far East Fund $ 64.68
d Orient Fund $ 102.00
d Global Selection Fund $ 20.50
d Special Growth Fund $ 36.65
064 FINANSA GROUP (Fax 44 2 266-4488)
(Internet E-Mail:sales@finansa.com)
m The SE Asia Frontier Fund $ 4.36
m The Vietnam Frontier Fund $ 12.20
065 FLEMING FUND MANAGEMENT LUXEMBOURG (Tel : 352 34 101)
THE OASIS FUND SICAV
d International Equity Fund $ 11.0233
067 FM GROWTH FUND (+311 218 555 766)
m NAV at Feb 28 $ 102.65
068 FOKUS BANK A.S. (Phone : 47-728 82 011)
w Fokus Intl Growth Fd $ 1.00
069 FOREIGN & COLONIAL EMERG MKTS LTD
Tel - London 171 628 1234
d Argentinian Invest Co Sicav $ 24.78
d Brazilian Invest Co Sicav $ 53.69
w Colombian Invest Co Sicav $ 13.08
d Indian Invest Co Sicav $ 6.45
d Latin Amer Extra Yield Fd $ 9.9504
d Latin American Invest Co $ 12.58
d Mexican Invest Co Sicav $ 26.20
w Peruvian Invest Co Sicav $ 19.70
w Polish Invest Co Sicav $ 14.12
d Taiwan Invt Co $ 15.73
d Glbl Em Mkts Inv Co Sicav $ 11.26
w Russian Investment Co $ 15.06
070 FORMULA GROUP
d Formula Fund NV $ 109.30
188 FRIEDBERG MULTI-SECTOR FUNDS
Tel: (416) 364-1171/Fax: (416) 364-8572
w Friedberg Currency $ 951.34
w Friedberg Fixed Income $ 996.55
w Friedberg Equity Hedge $ 995.31
w Friedberg New Zealand $ 1087.47
071 FUND MARKETING GROUP (BID)
P.O. Box 2001, Hamilton, Bermuda
m FMG Global (31Mar) $ 18.99
m FMG N. Amer (31Mar) $ 14.59
m FMG Europe (31Mar) DM 23.36
m FMG EMG MKT (31Mar) $ 15.95
m FMG O (31Mar) $ 17.21
m FMG Fixed (31Mar) $ 11.88
d Global Quot Growth Fd $ 63.65
m The Russian Federal (31Mar) $ 26.12
FURMAN SELZ FINANCIAL SERVICES
Tel: +353 1 679 7924 Fax: +353 1 679 7928
d Acacia USA Fund $ 128.09E
d Acacia USA Growth Fund $ 122.40E
w Crestwood Cap Intl Ltd $ 17875.13E
w Libre Investments A Ltd $ 1186.92E
w Sarpakus Intl Ltd $ 12205.58E
w Intergold Fund Ltd $ 940.74
072 GAIA CURRENCY FUNDS IFAX 82505
Tel: 353 1 676 2188/Fax: 353 1 676 0570
w Gaia Hedge II $ 215.97
C GAIA Fx $ 207.30
m Gaia Guaranteed Cl. I $ 98.88
m Gaia Guaranteed Cl. II $ 96.28
074 GEFINOR FUNDS
Geneva Tel:41-22 7355530 Fax:41-22 7860105
f Gefinor S.A. $ 14.25
w Scottish World Fund $ 612.2894
075 GENESEE FUND Ltd
w (A) Genesee Eagle $ 232.15
076 GLOBAL ASSET MANAGEMENT
IFAX: U.S. 82508. UK/Germ 82501,else 82502
INTERNET SITE http://www.ubsfe.gam.com
OFFSHORE FUNDS
11 Athol St,Douglas,I of Man 441624-626037
w GAM £ Special Bond £ 162.23
w GAM Arbitrage $ 553.46
w GAM ASEAN $ 418.58
w GAM Asian Dev Mkts $ 108.60
w GAM Australia $ 281.46
w GAM Bond £ £ 195.22
w GAM Bond DM DM 145.76
w GAM Bond SF SF 119.86
w GAM Bond US$ Ord $ 162.27
w GAM Bond US$ Special $ 220.07
w GAM Brasilia $ 155.72
w GAM Capital Appreciation Inc $ 99.98
f GAM CGFF Inc $ 99.57
w GAM Cross-Market $ 157.98
w GAM Diversity $ 263.38
w GAM Dollar and International $ 100.88
w GAM East Asia $ 621.16
w GAM Emerg Mkts Mlti-Fd $ 228.42
w GAM Franc-Val SF 222.72
w GAM France FF 2344.71
w GAM GAMCO $ 341.15
w GAM High Yield $ 207.93
w GAM Hong Kong $ 100.96
w GAM Interest Trend Fd Inc $ 151.64
w GAM Japan $ 1060.38
w GAM Leveraged Inc $ 99.50
w GAM Mlti-Europe DM DM 190.04
w GAM Mlti-Europe US$ $ 185.06
w GAM Multi U.S. DM DM 132.89
w GAM Multi U.S. US$ $ 114.58
w GAM Pacific $ 998.39
w GAM Pan Europa SF 160.88
w GAM Pan European $ 155.08
w GAM Science $ 99.26
w GAM Selection $ 804.21
w GAM SF Special Bond SF 166.74
w GAM Singapore/Malaysia $ 795.54
w GAM Telecs $ 127.17
w GAM Trading DM DM 175.95
w GAM Trading US$ $ 273.07
w GAM Trading II DEM Cl DM 99.39
w GAM Trading II STG Cl £ 99.09
w GAM Trading II USD Cl $ 99.13
w GAM Tyche $ 491.28
w GAM U.S. $ 401.28
w GAM Universal US$ $ 242.16
w GAM Worldwide $ 892.34
w GAMerica $ 257.41
w GAMut Investments $ 1369.48
w GSAM CHF Composite SF 139.17
w GSAM Composite $ 456.44
w GSAM DM Composite DM 157.14
w GSAM GBP Composite £ 102.32
w GAMSAM Omega Fd Inc $ 99.57
w GSAM Oracle $ 182.04
d GSAM Money Mkts DM DM 98.38
d GSAM Money Mkts SF SF 100.24
d GSAM Money Mkts Stg £ 99.27
d GSAM Money Mkts US$ $ 99.59
SWISS REGISTERED FUNDS 41-1-422 2626
Muhlebachstrasse 173,CH 8034,Zurich
w GAM (CH) Europe SF 141.75
w GAM (CH) Mondial SF 253.45
w GAM (CH) Pacific SF 306.00
IRISH REGISTERED UCITS
1 Georges Dock, Dublin 1.353-1-6702070
w GAM Asia Acc DM 105.09
w GAM Europa Acc DM 189.77
w GAM Orient Acc DM 184.80
w GAM Tokyo Acc DM 202.29
w GAM Total Bond DM Acc DM 134.90
w GAM Universal DM Acc DM 293.17
SEC REGISTERED FUNDS
Internet http://www.usinfo.gam.com
135 East 57th Street,NY 10022,212-888-4200
d GAM Europe $ 13.23
d GAM Global A $ 16.42
d GAM Global D $ 16.36
d GAM International A $ 26.70
d GAM International D $ 26.61
d GAM Japan Capital $ 10.31
d GAM North America $ 15.63
d GAM Asian Capital $ 9.48
d GAM Pacific Basin A $ 15.77
d GAM Pacific Basin D $ 15.70
d GAMerica Capital $ 10.72
IDF INVT AND DEVT FINANCING LTD
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w (J) Intl Currency & Bond $ 167.54
w (L) Global Financial $ 162.53
078 GLOBAL FUTURES & OPTIONS SICAV
m PFM Int Bd Progr-CHF Cl SF 80.48
079 GORDON HOUSE ASSET MNGT
m Optimal Fund $ 6.39
080 GOTTEX FUND MANAGEMENT
w G. Swap Fund Ecu 1070.84
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w Granite Capital Equity Fd $ 1594.14
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d DEM Bond Dis 5.97 DM 8.08
d Diverbond Dis 2.78 SF 3.40
d Dollar Bond Dis 2.32 $ 2.57
d European Bd Dis 1.41 Ecu 1.78
d French Franc Dis 10.55 FF 16.30
d Global Bond Dis 2.36 $ 3.08
d Italian Lira Bond Lit 11707.00
d Pacific Income $ 2.040
d Spanish Peseta Bond Ptas 305.00
EQUITY PORTFOLIOS
d ASEAN $ 7.31
d Asia Pacific $ 5.25
d Continental Europe Ecu 2.52
d Developing Markets $ 3.63
d Eastern Europe $ 1.990
d France FF 14.97
d Germany DM 8.34
d International $ 2.20
d Italy Lit 13412.00
d Japan Y 264.00
d Japan Smaller Companies Y 223.00
d North America $ 4.25
d Spain Ptas 399.00
d Switzerland SF 6.11
d United Kingdom £ 2.34
RESERVE FUNDS
d DEM Dis 3.795 DM 6.947
d Dollar Dis 2.155 $ 2.489
d French Franc FF 14.54
d Sterling Reserve £ 1.041
d Yen Reserve Y 288.6
083 GRYPHON FUND MANAGEMENT LTD
m Gryphon Bond Fund Ltd $ 95.33
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d GSF Managed Currency $ 36.55
d GSF Global Bond $ 34.63
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d GSF UK £ 36.72
d GSF Glbl Privatisation Fd $ 33.55
d GSF Asean $ 30.24
d GSF Asian Smaller Cos $ 27.81
d GSF Global Bd Growth $ 23.58
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m Hermes Bond Fund Ecu 1485.26
m Hermes Sterling Fd £ 137.41
m Hermes Gold Fund $ 349.20
m Hermes Universal Fd $ 117.59
m Hermes CHF Fixed Inc Acc SF 1051.41
m Hermes CHF Fixed Inc Dis SF 1009.41
m Hermes US$ Fixed Inc Acc $ 1103.84
m Hermes Glbl Swiss Franc Fd SF 549.48
m Hermes Global Ecu Fd Ecu 519.35
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d Okasan Global Strategy $ 19.5100
d Asia Super Growth $ 29.3800
d Nippon Warrant Fund $ 0.7100
d Asia Tiger Warrant $ 4.9200
d European Warrant Fund $ 8.8800
PREMIER SELECT FUNDS
d American Growth $ 8.3700
d American Enterprise $ 13.1800
d Asia Enterprise $ 54.4800
d Asia Tiger Growth $ 13.6700
d Asian Conv Bond Acc $ 5.2800
d Asian Conv Bond Dist $ 4.9500
d Dollar Reserve $ 3.9509
d European Growth DM 14.4800
d European Enterprise DM 18.1900
d Global Bond $ 5.7000
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d Global Emerging Markets $ 8.9700
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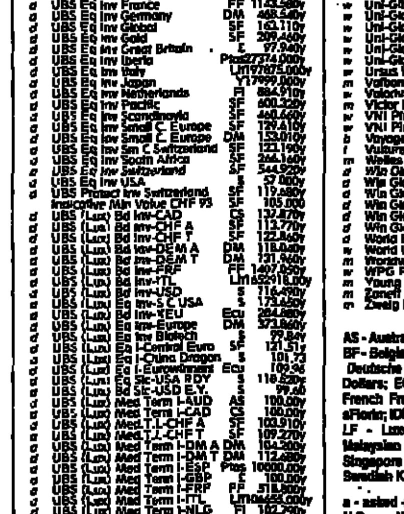

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WORLD ROUNDUP

Murdoch Confirms His Bid for Dodgers

BASEBALL Rupert Murdoch, the media mogul, confirmed that he was trying to buy the Los Angeles Dodgers.

Murdoch said he met with the Dodger's owner, Peter O'Malley, to discuss the possible deal "several weeks ago."

"We've had several meetings," Murdoch said.

He said he believed O'Malley had met with other possible investors.

Murdoch said the reported price of about $350 million "is approximately what Mr. O'Malley and I have been talking about." *(LAT)*

Slaney Drug Question

ATHLETICS Mary Slaney, 38, the U.S. distance runner, is under investigation for possible drug use, her lawyer said Thursday.

The test was taken last June at the Olympic track trials in Atlanta. Slaney's urine sample at the trials showed unacceptable levels of the male sex hormone testosterone, said her lawyer, Doriane Lambelet Coleman.

Because testosterone is a naturally occurring substance, higher-than-normal levels do not automatically mean a positive result, Coleman said. *(AP)*

Ski Jumper Banned

SKIING Andreas Goldberger of Austria, twice a winner of ski jumping's overall World Cup, was suspended Thursday for six months for using cocaine.

The Austrian ski federation banned Goldberger from April 21 until October 20 at a meeting in Kitzbuehel. *(Reuters)*

3-Country Bid Planned

OLYMPICS Slovenia has combined with regions in two other countries — the Austrian province of Carinthia and the northeastern Italian region of Friuli-Venezia Giulia — to make a joint bid to be host of the Winter Olympics in 2006.

"This cross-border candidacy is a first in the history of the Games. Three regions, three languages, three cultures: a European dream comes true," Carinthia's liaison office said Thursday. *(Reuters)*

Grand Prix Is in Doubt

FORMULA ONE The International Automobile Federation said Thursday it had switched the last grand prix of the season to Jerez in Spain from Estoril in Portugal.

However, Augusto Mateus, Portugal's economy minister, said that the race had only been postponed for two weeks to Nov. 9 to allow time for repairs to the circuit and that the government would bankroll $6 million of improvements demanded by the automobile federation. *(Reuters)*

Sabres Fire Muckler

HOCKEY The Buffalo Sabres fired John Muckler, the general manager, on Wednesday. Muckler had bickered for two seasons with Ted Nolan, the Buffalo coach, and argued with members of the front office.

Muckler and Nolan, a finalist for NHL Coach of the Year, barely spoke to each other this season unless they were arguing. *(AP)*

Courier Emerges From Time Capsule

By Ian Thomsen
International Herald Tribune

ROME — Jim Courier walked off center court of the Italian Open looking as invulnerable as he did during his run of French Open titles. He was replaced on the stadium floor by Boris Becker, who quickly became frustrated, and Goran Ivanisevic, who was frustrating. It was as though all three of them had been sent forth from a time capsule four or five years old.

For Becker nothing changes on clay. He lost, 7-6 (9-7), 6-3, to Ivanisevic in the third round Thursday. Becker has played 53 tournaments on clay and has never won any of them. To his credit, he looked as frustrated as ever afterward. He still wasn't taking it lightly.

"It's very hard to swallow it," said Becker, the 12th seed. "I fight very hard, I do everything right, he barely can stay in the match and then he wins it."

Becker was on the verge of breaking ahead in the sixth game when Ivanisevic backed him up with a most defensive lob. Becker allowed it to land. It brought up a little puff of white dust, like smoke, startling him. He returned it weakly and Ivanisevic, the sixth seed, went on to hold serve.

In the tiebreaker, the Croatian passed him outrageously while blunting four set points for Becker. Ivanisevic won six of the last seven points in the tiebreaker, and then the opening three games of the next set.

Afterward, smiling, Ivanisevic gave thanks for a broken finger.

It happened five weeks ago at his apartment in Split.

"I came into the apartment to take something, but I forgot what I came in for," Ivanisevic said. "Five seconds later I remembered. I came in again, I took the records in this hand and closed the door with this one, but I forgot to move my hand."

He couldn't play for five weeks. He said it cleared his head. This is his first tournament back after just four days of practice, and he is in the quarterfinals of the Italian Open.

"Maybe the gods sent me this door to break my finger," Ivanisevic wondered aloud. "They say, 'Stop!' in order for me to be fresh for the French Open and Wimbledon."

Becker preferred to view Ivanisevic's latest streak more realistically.

"With him you never know," Becker said. "He can wake up tomorrow morning and it can be all gone."

Courier, unseeded, followed his straight-sets upset of No. 1 Pete Sampras with a 7-6 (7-5), 6-3 victory over No. 15 Marc Rosset of Switzerland.

To say that Courier is re-creating his old successful formula would be to ignore the improvements in his game — his willingness to approach the net, for instance. But the tenor is the same.

"It's too early to say," he said, when asked if his comeback was approaching completion. "If I keep playing matches upon matches upon matches upon matches like today, then that's the way I remember playing when I was playing my very, very, very best. I was just very, very stable then."

The same cannot be said of the defending French Open champion, Yevgeni Kafelnikov of Russia, who lost Thursday, 6-3, 6-2, to Alberto Berasategui. Kafelnikov attributed the loss in part to fatigue, but admitted that he will play next week in a tune-up tournament "to get points and save my ranking. If I lose in an early round next week, I'll be out of the top 10."

For him to successfully defend his French Open title starting 11 days from now, he said, "would be a miracle."

Teenager Stuns Sanchez Vicario

The Associated Press

BERLIN — Anna Kournikova, a 15-year-old Russian, won her first match against a top 10 player Thursday, beating Arantxa Sanchez Vicario in the German Open.

Kournikova overpowered Sanchez Vicario, ranked No. 6 in the world, in the final two sets and won, 3-6, 6-0, 6-3, to reach the quarterfinals.

"At first I was overly excited, but then I got used to the atmosphere," said Kournikova. "It was just a normal match for me."

Mary Pierce, seeded No. 12, needed only a hour to rout No. 4 Conchita Martinez of Spain, 6-2, 6-0. Pierce, who also beat the Spaniard to win the Italian Open last week, has reached three finals in her last five tournaments.

Paulo Cuco/Reuters

Boris Becker returning a shot in a losing effort Thursday. Goran Ivanisevic won, 7-6, 6-3, in the Italian Open.

Ronaldo Takes His Lumps, and a Euro Cup

European Soccer / **PETER BERLIN**

International Herald Tribune

Imagine trying to do your work while being thumped every few minutes. The harder you work, the more you're thumped. The better you work, the more you're thumped. That is the lot of Ronaldo, the 20-year-old Brazilian superstar who plays soccer for Barcelona.

On Wednesday, Ronaldo did his job. He was knocked down, picked himself up and scored from the penalty spot to give his team a 1-0 victory over Paris Saint-Germain in the European Cup Winners Cup final in Rotterdam.

Ronaldo's boss, Bobby Robson, must know how his young star feels. In his season in charge of Barcelona he has been treated rather like a punching bag.

Ronaldo was not the best player on the field on Wednesday. He was outshone in particular by two older compatriots, Rai and Leonardo of PSG. However, on the big night, in the noisy, exciting atmosphere created by the two armies of fans enclosed a tight bowl of a stadium known as the Tub, Ronaldo provided the decisive touch.

PSG flew at Barcelona from the kick-off. For 10 minutes PSG played with menace. It combined unaccustomed verve with imagination and accuracy. Ronaldo's first pointed intervention acted like a pinprick in the Paris balloon.

Ronaldo is not so much charismatic as magnetic.

When he receives the ball, defenders are drawn to him like large iron filings to a magnet. He seems to upset their inner compass, panic-stricken shoes fly toward him. On Wednesday, in the low, gently sloping seats alongside the pitch the fans jumped to their feet as one and craned forward when Ronaldo received the ball. He is not a tricky or guileful player. He is a force of nature: fast and strong and unstoppably single-minded in his pursuit of goals.

Ronaldo is not particularly graceful. He has had knee surgery and walks as if limping in both legs. Yet, he accelerates so smoothly that it can come as a surprise when he zooms past defenders. Even at high speed his movement is angular, as if he is struggling to reign in his tremendous power. After all, it is not his speed which is deadly but his ability to stop or change direction suddenly and to adjust his feet immediately to some capricious deflection of the ball. He is 1.80 meters (5 feet, 10 inches) tall, yet instead of stretching out he seems to sink in on himself as he runs, as if pulled down toward his own center of gravity, which seems to be somewhere between his knees.

In the 10th minute, Luis Figo threaded the ball to Ronaldo's feet in the penalty area. As the defense converged, Ronaldo calmly rolled it back to Figo, unmarked in front of goal. Figo shot wide.

PSG continued to control the game, but with less conviction. For long periods, Rai cut off the supply line to Ronaldo. Frequently when he did get the ball, he was quickly knocked to the ground.

In the 36th minute, for the only time in the game, Ronaldo received the ball in the penalty area facing the Parisian goal. He accelerated past Bruno N'Gotty, the PSG center half. N'Gotty brought him down. Ronaldo had won Saturday's crucial league game against Real Madrid with a penalty. He coolly did the same here.

Barcelona's season has been dominated by two soap-operas revolving around two men who arrived last summer: Ronaldo and Robson.

After Ronaldo started the season with an explosion of goals, the club strove desperately to persuade him to sign a longer contract. He did. The new contract stipulates that if another club wants to buy him they must pay Barcelona a punitive 15,000 million pesetas ($104 million). The deal stretches until 2006, showing a huge faith in the resilience of Ronaldo's knees and ankles.

Meanwhile, from the moment he arrived, Robson has been surrounded by speculation that he was only a 64-year-old stopgap acting as caretaker while Louis van Gaal completed the last year of his contract at Ajax of Amsterdam. If that was the case then, to judge from Robson's words on Wednesday, nobody had told him.

After the game Robson said: "I'm delighted for everyone, not least for myself."

And yet as he talked after the game, he seldom looked delighted. This summer he could complete a dubious hat-trick.

Robson coached the England team to the last four of the World Cup. His contract wasn't renewed. He coached PSV Eindoven to two Dutch League titles in two years. His contract wasn't renewed. Now, his team has won the Cup Winners Cup, lies second in the Spanish League with an outside chance of catching Real Madrid and a much better chance of securing Spain's second spot in the Champion's League. Barcelona has also reached the Spanish cup final. Out of gratitude, the team has been discussing a contract with Van Gaal.

Ronaldo takes his punishment with Brazilian cool. His laid-back manner is undisturbed by wild fouls, great goals, poor passes from teammates or unfavorable refereeing decisions.

Robson is always the English gentleman. He talks of creating a "family atmosphere" at his club.

But Barcelona is a somewhat dysfunctional family, and Robson could not contain a few sparks of resentment over his treatment by Josep Luis Nunez, the club president. "How many presidents get presented with a European cup every season?" he asked.

This was a European cup, but not the European Cup which Barcelona sees as the proper measure of its greatness. Robson must have known what he was getting into when he took over from Johan Cruyff, who had won the European Cup for Barcelona. Van Gaal has won the European Cup with Ajax.

Good coaches build teams over time, as Robson did at Ipswich Town and Van Gaal at Ajax. But Barcelona is not the only big club with little patience. Many teams have been hurrying for years without ever getting anywhere, sacking coaches every season or two and starting over and over again. However, a club that has Ronaldo is at least starting again from a position of strength.

Next season at Barcelona could be entertaining. According to Dutch legend, Van Gaal exerted such obsessive control at Ajax that on team flights he told Michael van Praag, the club president, where to sit. Nunez is a different sort of president.

After the game Ronaldo and his teammates carried the cup on a lap of honor: dancing, waving, mugging for the fans. Behind them, with his winners' medal hanging round the shoulders of his gray suit, Robson strolled, hands in pockets staring dreamily into the jubilant crowd.

Gulati Kevin/Reuters

Barcelona's star, Ronaldo, sleeping next to his mother on the plane home.

■ Lama Suspended for Cannabis

Bernard Lama, who kept goal for PSG against Barcelona, was banned Thursday for five months, three suspended, by the French Football Federation for smoking cannabis. Reuters reported from Paris.

If he appeals, Lama could be allowed to play in the last two league games. The suspension will not keep Lama from playing for France if he is selected, as it only applies to PSG games.

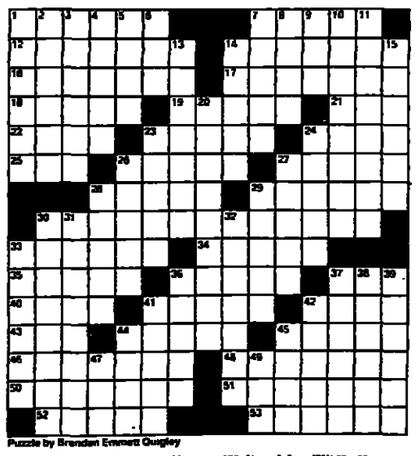
CROSSWORD

ACROSS

1 Like topiary
7 "The never failing vice of fools" Pope
12 Went into hiding
14 Brawl activity
16 Not in yet
17 Stirs
18 *1993 musical* with the Best Original Score
19 Product once pitched by Grace Kelly
21 Pandowdy, e g
22 Parseghian et al.
23 Multitude
24 Thomas Moore ballad locale
25 Artist Gerard — Borch
26 Eminent Washington family
27 Shakespearean female roles
28 "Shiloh" novelist Shelby
29 Strong
30 Standup comic with a sitcom
33 "G W.T.W." extras
34 Whoop it up
35 In the back
36 Bristol-Myers Squibb brand
37 Eden and others, for short
40 Following
41 Surged
42 Stay fresh
43 911 responder
44 3-D graph lines
45 Dame's introduction
46 Raphael's "Madonna"
48 Victory site of March 1945
50 Japanese mats
51 Velo
52 Navajo home
53 City dweller's pocketful

DOWN

1 Barraged
2 Cancelurist Daumier
3 Baseball's Sandy
4 Salon orders
5 Go round and round
6 Anticipated
7 Ring up
8 1990 World Cup site, locally
9 "— — had it!"
10 Alacrity
11 100%
13 Before
14 Lots
15 Let up
20 Condition ahead of time, as film
23 Goes by foot, with "it"
24 Palatable
26 Summer intern, maybe
27 Tony winner Swoosie
28 E
29 Idiot
30 Old Testament book
31 Makes a choice
32 Enters, as a controversy
33 Most inferior
36 Quashes
37 Dress size
38 Sea creatures of myth
39 Catches, in a way
41 Arrived breathlessly
42 13th Precinct lieutenant
44 Coors product since 1992
45 Canceled
47 Moniker
49 Showery



Puzzle by Brendan Emmett Quigley

© New York Times/Edited by Will Shortz

Solution to Puzzle of May 15

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SPORTS

Fight Night In Miami: Knicks KOd

Heat Narrow Series To 3-2; Brawl May Lead to Suspensions

By Mark Heisler
Los Angeles Times

MIAMI — They had their backs against the wall. The New York Knicks were at the gate. What could the Miami Heat do but . . .

Raise ticket prices?

The fans were revolted. Game 5 was revolting. Tim Hardaway and Alonzo Mourning combined to shoot 7 for 29 and the halftime score was 35-34. But in a rare pleasant development for embattled local fans, the Heat won Wednesday night, 96-81, prolonging their season and cutting the Knicks' Eastern Conference semifinals series lead to 3 games to 2.

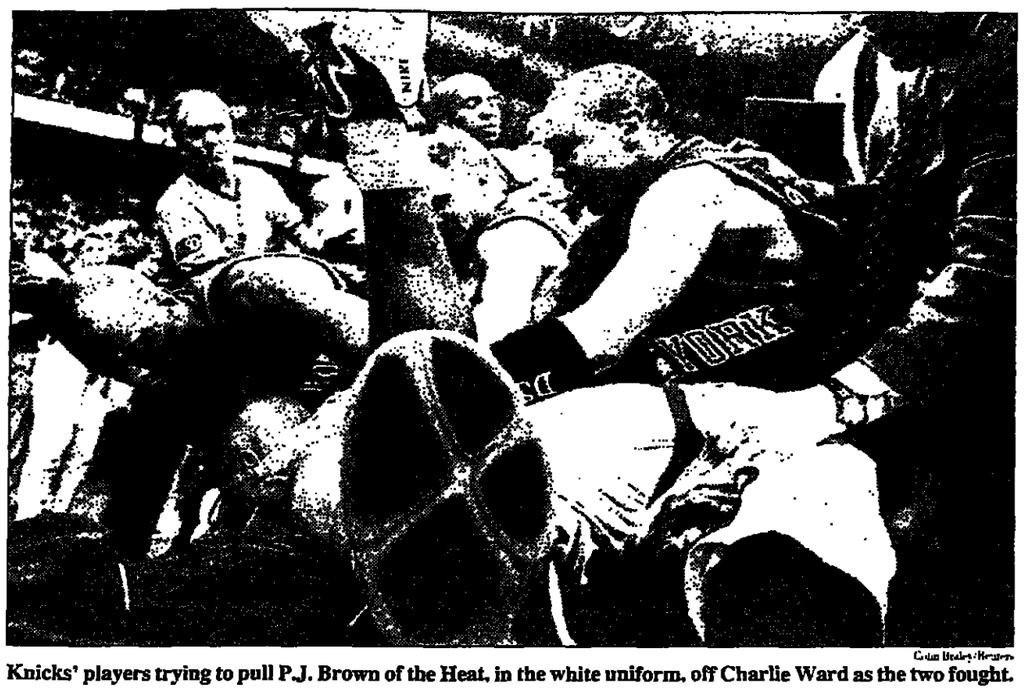
It was more a game-marred fight than a fight-marred game, featuring a wrestling match between Miami's P.J. Brown and the Knicks' Charlie Ward. They were ejected along with John Starks, joining Charles Oakley who was bounced earlier.

The referees noted that five of the seven Knicks on the bench joined in the melee — raising the possibility of suspensions for Game 6, up to a maximum of three. Starks made an obscene gesture to the crowd and was pelted with debris as he left the floor.

Pat Riley, the Heat's coach, blamed Starks for "instigating" the fight. "I was just talking to some guys," said Starks, grinning. "I figured Riles was gonna say that."

Buck Williams of the Knicks blamed Riley. "What you need to do is fine these coaches," Williams said. "Then you can eradicate these problems. That's what happened tonight. It's so unfortunate because the guilty party will not be suspended.

"Coach Riley did a good job inciting this kind of behavior in his team. The physical play that got out of hand during the game, I think it was all a consequence of Pat Riley the last two or three days appealing to the basketball team. It was pretty much like a time bomb waiting to explode."



Colin Braley/Reuters

Knicks' players trying to pull P.J. Brown of the Heat, in the white uniform, off Charlie Ward as the two fought.

The Heat were certainly as inspired as Riley, the $50,000-per-speech motivational expert, could get them. Between games, he read the players their quotes after their last loss, noting that none of them insisted they would come out fighting in Game 5.

Meanwhile, other Heat officials sought to play down the furor surrounding the price increase that more than doubled the price of the 4,000 seats available to fans not holding season tickets, or, as a marketing official named Jay Cross called them "our fair-weather friends."

The game took on a familiar pattern. The Heat started fast. The Knicks caught up. Mourning got in foul trouble.

With 7:11 left in the second quarter, Mourning got his third foul—he bumped Ward going for an offensive rebound—and had to sit down for the rest of the half. The Heat were already down, 28-26, and a window of opportunity opened for the Knicks.

Not that they could go through it. In an agonizing quarter of basketball, the Heat wound up scoring 14 points, the Knicks 12. The Knicks shot just 33 percent from the field, turned the ball over seven times and shot a mere 40 percent from the free-throw line.

"We gave them life," said Jeff Van Gundy, the Knicks' coach. "They were struggling. If we had played good basketball, we would have had a cushion in the second half."

The Heat led, 35-34, at halftime. It was 40-40 in the third quarter when — you guessed it — Mourning got in foul trouble again.

This time it was even more senseless than usual. Mourning charged out to Oakley at the 3-point line. Oakley, who rarely shoots from that range, faked a shot. Mourning took off and came down on top of Oakley for foul No. 4.

Out went Mourning again, with 9:39 left in the period, to wait it out until the fourth quarter. Another window of opportunity opened for the Knicks.

Without Mourning, with nothing from Hardaway who was working on a 3-for-17 night, the Heat went on a 20-10 run and moved ahead to stay. Voshon Lenard, whose scoring totals in the series had been 2-2-22-4, popped awake again and scored 10 of the 20 Miami points.

After that, the Knicks played catch-up but couldn't.

Late in the game, shortly after Oakley was tossed for pushing Mourning and complaining to the chief referee, Dick Bavetta, the teams lined up for a free throw. Ward, the former Heisman Trophy-winning quarterback, seemed to dive at Brown's knees. The 6-foot-11-inch (2.1-meter) Brown picked up the 6-1 Ward, turned him over and dumped him off the court. Many Knicks and Heat players came running over and jumped on the pile.

"He must have had flashbacks to Florida State," Brown said later. "If you look at it objectively, you'll see he went right for my knees, like he was playing football. If he wants to play football, go back to Florida State."

They pulled the participants apart and started banishing the principals.

Starks made his obscene gesture to the crowd, he said, "because I felt like it."

The league is expected to announce fines and/or suspensions on Thursday.

The New York Times reported:

Bavetta released this statement on the incident: "After a successful free throw by Tim Hardaway, Charlie Ward of New York undercuts P.J. Brown from Miami. P.J. Brown lifts up Charlie Ward and throws him to the floor. At that point, both players were ejected."

Asked if any Miami players left the bench during the incident, Bavetta said, "No, I knew for a fact they did not."

Oakland's Homer Binge Buries Milwaukee, 7-4

The Associated Press

Matt Stairs homered twice as the Oakland Athletics snapped a seven-game losing streak with a 7-4 victory over the Milwaukee Brewers.

Jose Canseco also hit two homers, and his fellow Bash Brother Mark McGwire

Baseball Roundup

McGwire hit his 13th as the A's hit five home runs Wednesday.

Canseco and McGwire hit consecutive solo homers in the third inning. In the fourth, Canseco followed Stairs's two-run blast with his eighth homer of the season.

Stairs added a solo shot in the seventh, his fifth, for his first career multihomer game.

"You see Jose hit a bomb to left field, and then Mark just about takes the doors off the wall in center field," Stairs said. "It just loosens the team up a lot. It just seems like it's contagious when you get the big hits. It's fun."

McGwire snapped a 25 at-bat homerless streak that was his longest such drought since 1994.

Only 6,319 fans attended the game, the smallest crowd in Oakland since April 22, 1996, when 6,021 watched the A's defeat the Brewers, 6-2.

Cal Eldred allowed six runs and nine hits in six innings for the Brewers. He had few kind words for the Oakland Coliseum, which was considered a pitcher's park before a redesign turned it into a hitter's paradise.

"This ballpark makes you want to puke," Eldred said.

Rangers 4, Indians 3 In Arlington, Texas, Bill Ripken's bases-loaded sacrifice fly scored Will Clark in the 10th.

Ripken hit a fly that was caught by left fielder David Justice but too deep to make any play on Clark.

Mariners 9, White Sox 7 In Seattle, Ken Griffey Jr. hit his major league-leading 17th home run, and Brent Gates hit a three-run homer during the Mariners' five-run fourth.

Griffey, who set a major-league record with 14 homers in April, connected off Carlos Castillo in the sixth to give the Mariners a 7-3 lead.

Yankees 6, Twins 5 Paul O'Neill tied the score with a run-scoring double in the ninth, then homered in the 12th as the Yankees won in Minneapolis.

Earlier, Tino Martinez hit his 16th homer, tying Griffey for the major-league lead.

Royals 6, Red Sox 2 In Kansas City, Boston lost its sixth straight game after the Royals rallied for four runs in the seventh.

Blue Jays 7, Tigers 2 Charlie O'Brien hit his first career grand slam and drove in six runs for Toronto in Detroit.

Angels 6, Orioles 5 Darin Erstad, Garret Anderson and Jim Edmonds hit two-run homers in consecutive innings as Anaheim rallied from a 5-0 deficit to beat visiting Baltimore.

In National League games:

Pirates 15, Rockies 10 Pittsburgh used a nine-run eighth inning to rally past visiting Colorado and stay in first place in the NL Central.

The young Pittsburgh team, with a payroll of just $9 million, or $2 million less than Albert Belle is making this season, overcame deficits of 6-3, 7-5 and 9-6 before Kevin Young's two-run pinch-hit double put them ahead for good. Al Martin then finished off the Rockies with a grand slam.

Pittsburgh, which remained a percentage point ahead of Houston in the Central Division, stranded 11 runners — eight in the first five innings.

Expos 9, Padres 7 Rondell White hit a go-ahead run-scoring double in the eighth inning as host Montreal topped San Diego, which had two pitchers ejected for hitting batters.

Dodgers 6, Cubs 4 Nelson Liriano doubled to start a game-tying rally in the eighth, then hit a two-run homer in the ninth as Los Angeles won at Chicago.

Cardinals 12, Phillies 3 Ray Lankford had three hits, including a two-run homer, and pinch-hitter Gary Gaetti doubled home two runs in a three-run fifth inning as St. Louis won at Philadelphia.

Astros 1, Mets 0 Darryl Kile pitched four-hit ball for eight innings, and pinch-hitter Craig Biggio hit a sacrifice fly in the ninth as Houston won in New York.

Marlins 4, Braves 3 Edgar Renteria's single scored the go-ahead run in the seventh inning as visiting Florida denied Denny Neagle's bid to become the NL's first seven-game winner with a win over Atlanta.

Giants 4, Reds 2 In Cincinnati, Barry Bonds hit a solo homer in the 10th inning as San Francisco overcame a rare failure by relief pitcher Rod Beck.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	25	12	.676	—
New York	23	16	.590	3
Toronto	20	17	.541	5
Detroit	16	22	.421	9½
Boston	15	22	.405	10

CENTRAL DIVISION

	W	L	Pct.	GB
Milwaukee	19	16	.543	—
Kansas City	19	17	.528	½
Cleveland	18	19	.486	2
Chicago	14	22	.389	5½
Minnesota	15	25	.375	6½

WEST DIVISION

	W	L	Pct.	GB
Seattle	23	15	.605	—
Texas	21	15	.583	1
Anaheim	17	19	.472	5
Oakland	16	24	.400	8

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	26	13	.667	—
Florida	23	16	.590	3
Montreal	20	16	.556	4½
New York	20	19	.513	6
Philadelphia	14	24	.368	11½

CENTRAL DIVISION

	W	L	Pct.	GB
Pittsburgh	20	18	.526	—
Houston	21	19	.525	—
St. Louis	17	21	.447	3
Chicago	11	26	.297	8½
Cincinnati	11	26	.297	8½

WEST DIVISION

	W	L	Pct.	GB
San Francisco	23	13	.639	—
Colorado	22	15	.595	1½
Los Angeles	21	15	.583	2
San Diego	14	22	.389	9

WEDNESDAY'S LINE SCORES

AMERICAN LEAGUE

Toronto 010 100 041—7 12 1
Detroit 200 000 000—2 5 0
Henigen and O'Brien; Moehler, M. Myers (8), To. Jones (9) and B. Johnson, Casanova (8). W—Henigen, 4-1. L—Moehler, 2-3. HR—Toronto, O'Brien (2).

New York 011 110 001—6 12 0
Minnesota 020 000 300 000—5 13 2
(12 innings) Pettitte, Nelson (7), Stanton (7), Mecir (8), Boehringer (11), M.Rivera (12) and Girardi; F.Rodriguez, Swindell (6), Aguilera (9), Guardado (12), Naulty (12) and Steinbach. W—Boehringer, 2-2. L—Guardado, 0-1. Sv—M. Rivera (14). HRs—New York, T. Martinez (16), O'Neill (7).

Boston 000 001 001—2 10 1
Kansas City 100 000 41x—6 9 1
Wakefield, Lacy (7), Garces (8) and Haselman; Rusch, R. Veres (6), Pichardo and M.Sweeney. W—R. Veres, 3-0. L—Wakefield, 1-2. Sv—Pichardo (6). HR—Kansas City, C. Davis (4).

Cleveland 000 100 110 0—3 8 2
Texas 000 001 020 1—4 13 0
(10 innings) Nagy, Plunk (8), Morman (8), M. Jackson (9), Assenmacher (9), A.Lopez (10) and Borders; Witt, Wetteland (9) and I. Rodriguez. W—Wetteland, 2-0. L—A. Lopez, 0-2. HRs—Cleveland, Thome (7). Texas, Ju.Gonzalez (4).

Milwaukee 000 010 102—4 8 0
Oakland 102 300 10x—7 11 1
Eldred, Adamson (7) and Mathews, Levis (8); Prieto, A. Small (7), Taylor (9) and Mayne. W—Prieto, 3-2. L—Eldred, 4-4. HRs—Milwaukee, Ja.Valentin (1). Oakland; Stairs 2 (5), McGwire (13), Canseco 2 (8).

Baltimore 302 000 000—5 11 0
Anaheim 002 220 00x—6 7 1
M.Johnson, Boskie (5), Rhodes (6), Br.Williams (8) and Holles; Hasegawa, D. Springer (4), Holtz (9) and Fabregas. W—D. Springer, 1-1. L—Boskie, 1-2. Sv—Holtz (1).

Chicago 200 001 013—7 12 0
Seattle 100 501 20x—9 15 0
Navarro, C. Castillo (4), Karchner (8) and Pena; Moyer, Ayala (7), Charlton (9) and D. Wilson. W—Moyer, 3-0. L—Navarro, 3-2. Sv—Charlton (10). HRs—Chicago, Phillips (2), Baines (4), F. Thomas (6). Seattle, Griffey (17), Gates (1).

NATIONAL LEAGUE

San Diego 300 010 210—7 10 2
Montreal 100 210 14x—9 12 1
Ti.Worrell, Bergman (2), Scott (7), Bochtler (7), Long (8), Hoffman (8) and Flaherty; Juden, D. Veres (7), Daal (7), M. Valdes (7), Urbina (9), L. Smith (9) and Widger. W—M. Valdes, 1-2. L—Hoffman, 1-3. Sv—L. Smith (3). HR—San Diego, Cr.Jones (3).

Los Angeles 000 000 222—6 12 1
Chicago 000 210 100—4 7 0
R.Martinez, Hall (7), Radinsky (7), Osuna (7), Te.Worrell (9) and Piazza; Trachsel, T. Adams (7), Wendell (8), Rojas (9) and Servais. W—Osuna, 1-0. L—Rojas, 0-2. Sv—Te.Worrell (11). HRs—Los Angeles, Mondesi (8), Liriano (1). Chicago, McRae (4), Ma.Grace (5).

Houston 000 000 001—1 7 0
New York 000 000 000—0 4 1
Kile, B. Wagner (9) and Eusebio; R.Reed, McMichael (9) and Hundley. W—Kile, 3-2. L—McMichael, 3-3. Sv—B. Wagner (9).

St. Louis 000 233 004—12 17 1
Philadelphia 100 101 000—3 9 2
Stottlemyre, Petkovsek (7), Eckersley (9) and O'Reilly; Madure, Mimbs (5), P. Harris (7), Plantenberg (8), Ryan (9) and Lieberthal. W—Stottlemyre, 2-2. L—Madure, 3-4. HRs—St.Louis, Clayton (4), Gaetti (3), Lankford (6), Franklin (1). Philadelphia, Daulton (4), Brogna (4).

Colorado 015 000 121—10 11 2
Pittsburgh 120 020 19x—15 13 0
Wright, DiPoto (5), McCurry (6), M. Munoz (7), S. Reed (8), B.Ruffin (8) and Manwaring; Loaiza, Wainhouse (6), M. Wilkins (8), Loiselle (9) and Kendall. W—M. Wilkins, 3-0. L—S. Reed, 0-2. HRs—Colorado, Ec.Young (2). Pittsburgh, A. Martin (4).

Florida 001 001 200—4 10 0
Atlanta 001 200 000—3 10 2
K.Brown, F. Heredia (7), Powell (8), Nen (9) and C. Johnson; Zaun (7); Neagle, Bielecki (7), Embree (8), Wohlers (9) and J. Lopez. W—K. Brown, 4-2. L—Bielecki, 1-3. Sv—Nen (10). HR—Florida, Dunwoody (1).

San Francisco 000 010 001 2—4 10 0
Cincinnati 010 000 001 0—2 9 1
(10 innings) O.Fernandez, Poole (8), Beck (9), R. Rodriguez (10) and Jensen; R.Wilkins (10); Schourek, Belinda (6), Shaw (8), Remlinger (10), Brantley (10) and Taubensee. W—Beck, 2-1. L—Remlinger, 0-3. Sv—R. Rodriguez (1). HRs—San Francisco, Bonds (6). Cincinnati, R.Sanders (5), W. Greene (5).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	20	13	—	.606	—
Hiroshima	16	14	—	.533	2.5
Hanshin	15	16	—	.484	4.0
Yokohama	14	16	—	.467	4.5
Hanshin	15	18	—	.455	5.0
Yomiuri	14	17	—	.452	5.0

THURSDAY'S RESULTS

Yakult 7, Chunichi 3
Hanshin 2, Yokohama 0

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	18	13	—	.581	—
Orix	15	13	—	.536	1.5
Daiei	17	16	—	.515	2.0
Lotte	14	15	1	.483	3.0
Nippon Ham	15	17	—	.469	3.5
Kintetsu	13	18	1	.419	5.0

THURSDAY'S RESULTS

Kintetsu 6, Daiei 4

SOCCER

CUP WINNERS' CUP

FINAL

WEDNESDAY, IN ROTTERDAM

Barcelona 1, Paris St Germain 0

ENGLISH PROMOTION PLAYOFFS

SEMIFINALS, RETURN LEG

1ST DIVISION

Wolverhampton 2, Crystal Palace 2
C. Palace advanced on 4-3 aggregate
Ipswich 2, Sheffield United 2
3-3 agg.; Sheff. U. won 2-1 on away goals

2ND DIVISION

Brentford 2, Bristol City 2
Brentford advanced on 4-2 aggregate
Luton 2, Crewe 2
Crewe advanced on 4-3 aggregate

3RD DIVISION

Swansea 3, Chester 0
Swansea advanced on 3-0 aggregate
Northampton 3, Cardiff 2
Northampton advanced on 4-2 aggregate

LIBERTADORES CUP

2ND ROUND, RETURN LEG

Colo Colo, Chile, 1, Nacional, Uruguay, 2
Colo Colo won 4-3 on aggregate
Oriente Petrolero, Bolivia, 1, Universidad Catolica, Chile, 5
Universidad Catlica won 9-1 on aggregate
Cruzeiro, Brazil, 2, Nacional, Ecuador, 1
Aggregate score 2-2. Cruzeiro won 5-3 on penalties.
Already qualified for quarter-finals: Bolivar, Bolivia; Gremio, Brazil; Penarol, Uruguay; Racing Club, Argentina; Sporting Cristal, Peru.

BASKETBALL

NBA Playoffs

SECOND ROUND
(BEST-OF-SEVEN)
WEDNESDAY'S RESULT

New York	22	12	25	22— 81
Miami	21	14	31	30— 96

N.Y.: Starks 6-12 8-10 21, Ewing 9-19 1-1 19; M: Lenard 8-11 3-3 21, Brown 6-10 6-8 18. Rebounds—New York 44 (Oakley 9), Miami 52 (Brown 12). Assists—New York 19 (Childs 7), Miami 16 (Hardaway 6).
(New York leads series 3-2)

CRICKET

INDEPENDENCE CUP
1-DAY INTERNATIONAL
INDIA VS. NEW ZEALAND
WEDNESDAY, IN BANGALORE, INDIA

New Zealand: 220-9 in 50 overs
India: 221-2 in 42.3 overs.
India won by eight wickets.

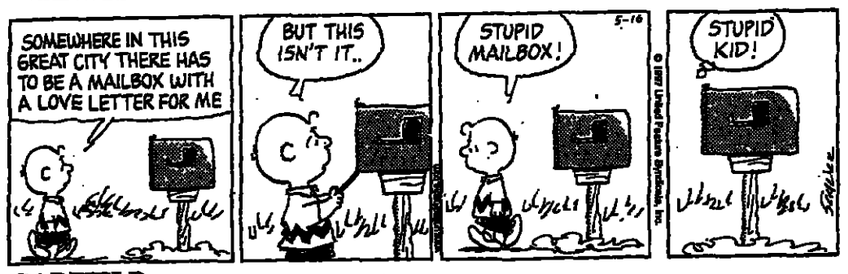
TRANSITIONS

BASEBALL
AMERICAN LEAGUE
BALTIMORE—Released RHP Giovanni Carrara.
OAKLAND—Optioned OF Ernie Young to Edmonton, PCL. Recalled OF Patrick Lennon from Edmonton.
TEXAS—Put 2B Mark McLemore on 15-day disabled list.
NATIONAL LEAGUE
CINCINNATI—Signed RHP Giovanni Carrara.
COLORADO—Put RHP Bill Swift on 15-day disabled list, retroactive to May 13.
ST. LOUIS—Put 1B Dmitri Young on 15-day disabled list retroactive to May 11. Recalled INF Mike Gulan from Louisville, AA.
HOCKEY
NATIONAL HOCKEY LEAGUE
BUFFALO—Fired John Muckler, general manager.
PHOENIX—Signed D Sean Gagnon.

DENNIS THE MENACE

"WHO SAYS THERE'S NO SUCH THING AS PERPETUAL MOTION?"

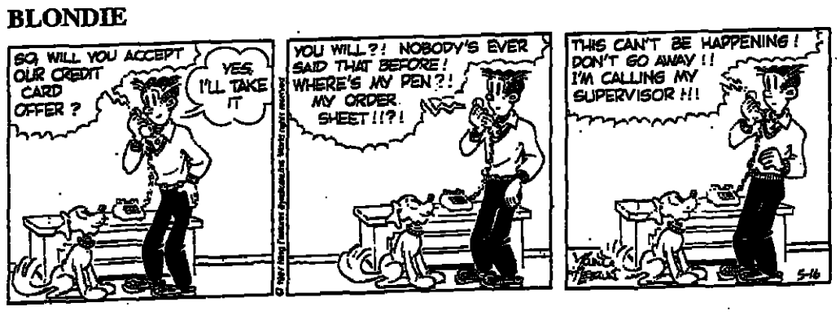
PEANUTS



GARFIELD

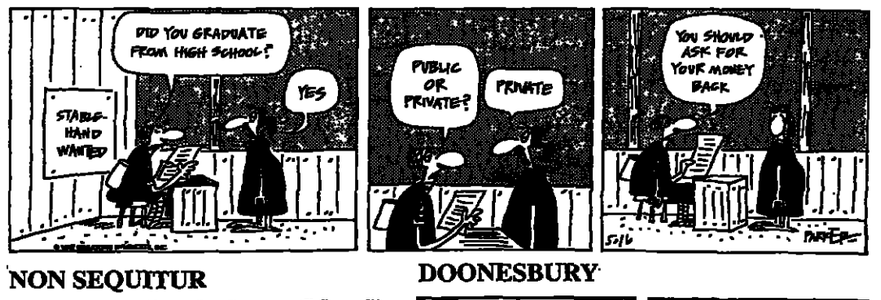
BEETLE BAILEY

BLONDIE



CALVIN AND HOBBES

WIZARD of ID



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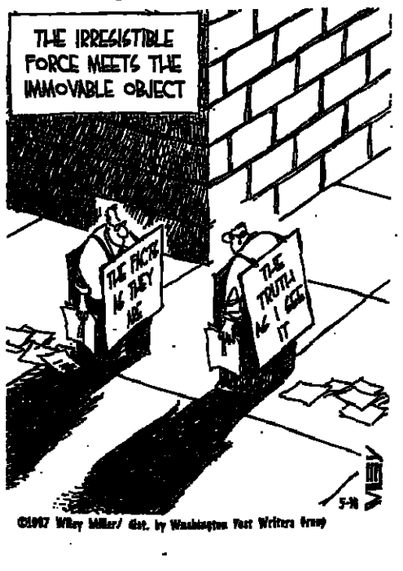

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DOONESBURY

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VOFAR
VIILC
NALDAV
MELTIG

WHEN ROMANCE BLOOMS AS THE LEAVES TURN, IT'S ____

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ____ ____ ____

(Answers tomorrow)

Yesterday's Jumbles: NAVAL ERUPT SWIVEL PRISON
Answer: A good place to rise to the top — AN ELEVATOR

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OBSERVER

Enriching Your Life

By Russell Baker

NEW YORK — Why is it that when gigantic corporations say they are in business to enrich our lives, 250 million Americans do not rise as one and cry out, "Oh, stuff it!"?

The question comes from a friend who owns some AT&T stock and forwards his copy of its annual report for 1996. The passage that galls him in this prose soufflé has the top AT&T boss, speaking of the customers, promising that the company will "enrich their personal lives."

What insolence! How many people here want AT&T meddling in their personal lives? All I want from AT&T is a clear connection to the party on the other end of the line, or whatever it is that the party on the other end is on these days.

What the telephone is in my personal life is an irritation, like a hangnail on your ear. There's the telemarketing call just as you're dipping into the mashed potatoes. There's the answering machine that takes your long-distance call and charges you for saying there's nobody home.

□

Corporate guff like this about enriching your personal life is dumped on us incessantly while, at the same time, the air is filled with manly boasts about the ruthlessness *of corporate America.*

From the boardroom we hear that President Coolidge was right all along. The business of America really is business. It is not personal enrichment of its customers. It is financial enrichment of its stockholders and its executives.

If executives are often enriched far more grandly than the stockholders, it is because their business skills and their hard-nosed, even courageous readiness to make tough, lean, mean decisions produce ever rising profits for stockholders.

And who are those enriched stockholders? They could be you, friend. And you and you, depending on how you have arranged for your financial future, assuming that you have arranged for your financial future.

□

Ruthlessness is the executive's philosophical duty. His job is to crunch the numbers, increase productivity, reduce or abolish fringe benefits for undownsized employees, export jobs to far-away lands free of unions and child-labor laws and keep America Number One despite intense global competition.

Business advertising, however, still concentrates on telling us what swell folks they are. AT&T is thinking of our personal lives. The airline industry, which has made flying an extremely disagreeable experience, talks of friendly skies and devoted mechanics making planes safer and safer.

In the new corporate style you might expect the airlines to boast of their overworked crews becoming ever more testy, ever more dictatorial, to brag of loyal mechanics making the seats ever smaller, ever closer together — and all to enrich their stockholders and *keep America No. 1, hurrah!*

They don't do that. Instead they keep spoofing us about how much they like us. And 250 million do not rise as one and say, "Oh, stuff it!" That's probably because 249 million have become too cynical from being deceived so long that they no longer care about being deceived.

New York Times Service

The Little Movie That Suddenly Became Big

By Joan Dupont
International Herald Tribune

CANNES — A few days ago, Samantha Lang — the only woman and the youngest director in the festival competition — left her beach apartment in Australia, and arrived in Cannes to present "The Well," her first feature. "It was an honor to be selected, but it was nerve-racking too, and it's very strange to be the only woman — in Australia, that's not something you think about."

Her friends call her Sam. Cool, lanky, and 29, she seems unfazed by all the fuss about "a little film that's suddenly become a big film. I

50TH CANNES FESTIVAL

Reuters

Samantha Lang, center, with the stars of her first feature film, Pamela Rabe and Miranda Otto.

wasn't sure people liked it that much," she says, "but it's my first feature and I think, if you can't take risks with your first, when can you?"

A gothic drama about two lonely women, "The Well" is adapted from a novel by Elizabeth Jolley and was shot in New South Wales. Hester, a solitary soul takes in Katherine, young and wild. Hester wants to nurture; Katherine wants to take. "The film is about being disenfranchised, and never having had love or the comfort of security. Ultimately, both women are in search of the same thing, but they're mismatched — it can't last." The characters swerve between hidden desire, bold power plays and swift betrayal. One night, as they are driving in the dark, a man appears. Run down like a kangaroo, he is buried down a well, unseen, but heard — ghostly sighs, creaking wood.

"Yes, it's scary," the director says, laughing. "There's definitely somebody down there, even though you never see him." As the women reinvent their lives, the other men in the story look on, powerless: "This film is really made from the point of view of the women and how men affect them. So many films depict women through the eyes of a man, so this *was fun.*"

The story feels other-worldly, like a fable. "It's no time, out of time; the exterior world is just a representation of what is going on inside the women," Lang says.

Pamela Rabe, a Shakespearean actress, plays a repressed and sensual Hester. "She's exquisite and she took a big risk because it wasn't a glamorous role. We made her up to look 10 years older." Miranda Ott, who plays devilish Katherine, was hired after the first test: "She was dazzling and had the complexity the part needs."

Lang picked her crew — women in their 30s — from friends and colleagues. She had worked with Mandy Walker, the film's director of photography, on short films. They used a technique called "bleach bypass," a process that makes the images starkly contrasted. The costume designer, Anna Borghesi, found that the technique made her think about characters in terms of texture and silhouette, instead of color. When it appears, color can shock — a chrome yellow dress and cap blares out against Katherine's strawberry blonde complexion.

Even before the film was screened here, "The Well" was being compared to Jane Campion's "Sweetie" and other films from Australia and New Zealand about women's ties and wounds. Lang makes it clear that she can do without the comparison.

"It's true that Jane Campion is a brilliant filmmaker and I admire her work, but it's also true that I don't use her work as a reference. I love the perversity of Bunuel, and I learned French watching French movies. When I was very young, my stepfather took me to the Valhalla cinema in Sydney to see Fellini, Bergman and Resnais. "Hiroshima, Mon Amour" was the first movie that obsessed me. What's inspiring about Jane Campion is that she did it. But we have many strong women filmmakers."

Laura Jones, who brought her screenplay adapted from "The Well" to Lang, also wrote "An Angel at My Table" and "A Portrait of a Lady" for Campion, "High Tide" for Gillian Armstrong, as well as "A Thousand Acres" for Jocelyn Moorhouse.

"Sandra Levy was producing, Laura had written the script and I read it and thought, wow, a challenge. Even though it was my first feature, Laura was always supportive. She said, 'It's your film, you've got to be bold, you've got to be original.'"

Lang, who doesn't consider herself a feminist director, finds it natural that she "rose through the system — the hardest part if you're outspoken," and got to the top.

"In America you have women producers and writers, and not that many women directors, but in Australia we really don't notice the difference between the sexes. Of course there is a difference," she adds.

Born in England, of parents from a working-class background, she was the first in her family to go through school and university. "My mother split with my father — she met an Australian and we came to Australia. It was a huge opportunity. I was sent to a good public school that was middle class, so my milieu changed." At The Australian Film, Television, and Radio School, she made shorts. "Audacious," her half-hour film, won prizes and went to festivals. A kind of romantic comedy, it was from a story she wrote about a married woman, dissatisfied with her sex life, who finds a service on the Internet run by a couple: She confides her fantasies, they act them out and send back the tape for her to try on her husband. "When he finds the tapes, he's humiliated. It's about intimacy, how people can't express desire."

John Polson, Lang's boyfriend of four years, played the husband.

Between studies, Lang spent a year in Grenoble, France, where she got a degree in literature. "From a very early age, I knew I wanted to make films, but I thought that I should do things that have nothing to do with filmmaking first, because there's technique and then there's understanding human beings."

She is working on adapting "The Monkey's Mask," a contemporary urban thriller in verse by Dorothy Porter, set in Sydney — "very different in style from 'The Well,' but the themes are not that different. It's about love, betrayal, and solitude. These are the kind of films that interest me, films that let me explore the human condition."

More Cannes festival news, Page 12.

PEOPLE

Jeff Christensen/Reuters

Geri Halliwell of the Spice Girls.

POLICE records in the investigation of sexual abuse allegations made against the late author **Michael Dorris** contain private information and won't be made public, a Minnesota judge has ruled. Dorris, who won a National Book Critics Circle award in 1989 for "The Broken Cord," an account of how fetal alcohol syndrome affected his adopted son, committed suicide last month in Concord, New Hampshire. After his death, it was disclosed that Dorris faced a child sex-abuse investigation. Normally, when the subject of an investigation dies before any charges are filed, the case is closed and police records become public. But Minnesota law allows the files to be sealed in some cases.

□

The British pop group the **Spice Girls** showed uncharacteristic modesty after beating the Beatles to become the first British band to top the American Billboard 200 chart with a debut album. Their achievement was confirmed by their record company, Virgin, before the chart's publication Friday. The album "Spice" can also boast 12 million sales worldwide to date.

□

Studs Terkel is giving up the radio show he's done for 45 years. The 85-year-old oral historian is going off the air at WFMT-FM to become a Distinguished Scholar at the Chicago Historical Society and develop an archive of his interviews, documentaries and other work. Terkel has done more than 6,000 interviews, including those for 11 books of nonfiction.

□

Somewhere between the time actor **Chevy Chase** abandoned Los Angeles for horse country and this spring, when novelist **Michael Crichton** paid $2.8 million to add five acres to his own estate, a quiet stretch of Westchester County began to evolve into one of the most glittering addresses in entertainment and society circles. Forty miles from midtown Manhattan, Bedford is the new anti-Hamptons. It's Aspen without the fuss, Montana before **Ted Turner**, East Hampton without the traffic, the scene or the gossip columnists stirring things up. "I think we've been found," said **Sally Siano**, a real estate agent, explaining the sudden clamor for the great old estates here. "The Hamptons is all Hollywooded out," she said.

□

Abandoned in the late 1970s and virtually destroyed by fires and neglect, the renovated three-story home where **Margaret Mitchell** wrote most of "Gone With The Wind" is now open to the public. The renovation of the turn-of-the-century building where Mitchell lived with her husband, **John Marsh**, between 1925 and 1932, ends years of effort to preserve one of Atlanta's few remaining ties to the novel and the 1939 film. Public tours, on weekends only, will begin Saturday.

□

It has been 16 years since they talked to each other, but **Alina Fernandez** remains bitter toward her father, **Fidel Castro**. "I don't feel hatred toward my father but rather at what he has done to Cuba." Fernandez said in an interview. In her autobiography, "Alina: Memoirs of Fidel Castro's Rebel Daughter," published this month, Fernandez relates how her mother, **Nati Revuelta**, lived a life obsessed with the man who abandoned her before Alina was born. Fernandez, born in 1956, said it was not until she was 10 that her mother told her who her father was.

□

Eddie Murphy has filed separate lawsuits against the National Enquirer and the Globe, saying the tabloids published false stories prompted by his encounter with a transsexual prostitute. The suits each seek $5 million in damages. Murphy filed a third suit against an individual named **Ioane Seiuli** for comments attributed to him in the New York Post. Murphy has said he was just trying to be nice when he gave **Atisone Seiuli** a lift in West Hollywood on May 2 while undercover sheriff's deputies looked on. It was not immediately clear whether Ioane Seiuli and Atisone Seiuli are related.

Wyatt Counts/AP

Studs Terkel, ending radio show.

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